



OVERSEAS NEWS

Michael Holman sums up Mrs Thatcher's visit to Kenya and Nigeria, where she promised to take a renewed interest in Africa Prime ministerial safari that may lead on to Pretoria

INSPIRED by the flag-waving and enthusiasm of Kenyans, and encouraged by the response she received in Nigeria, Mrs Margaret Thatcher returned to London last night from her African safari...

from her visit to Africa as convinced as ever that punitive economic sanctions against Pretoria would be ineffectual and counterproductive...



REGAL STANCE: Mr and Mrs Thatcher with President Babangida

banquet on Thursday night when welcoming Mrs Thatcher. He told her that Nigeria was making considerable progress in rescheduling its \$23bn external debt...

to implement sanctions against South Africa, Gen Babangida was acknowledging an important economic reality. The result is that, although African states will not drop their call for sanctions, Mrs Thatcher will feel that her alternative policy received a fillip...

their efforts to reduce transport links with South Africa. This is not new but what has been emerging in the course of her tour is the growing possibility that a visit to Pretoria by Mrs Thatcher may be coming closer...

Thatcher would need to be convinced that Pretoria had something to offer her. Even so, the ground has been laid at least partially. By visiting Kenya (and airing the possibility of such a visit with President Mollath) and Nigeria, Mrs Thatcher has been trying to do two things...

owed by the inevitable difference over South Africa, a substantial proportion of her time was spent discussing Africa's debt crisis and general economic malaise. Her hosts found Mrs Thatcher far more accommodating and understanding about debt relief than about sanctions...

John Elliott, recently at Gulmarg in Kashmir, samples a tourism first India set to ski on roof of world

INDIA is opening its closely guarded and militarily sensitive border area with Pakistan, among snow-covered peaks of the Himalayan mountains...

Sharp rise in W German jobless

per cent last year worked through to the labour market, unemployment at the end of December was about 90,000 higher than the level at the end of 1986...

Rivalries tug Goria government in direction of collapse

MR GIOVANNI Goria, the Italian prime minister, returns tomorrow from a tour of south Asia to find his government being tugged in the direction of collapse by its own errors and by internal rivalries within the dominant Christian Democrat Party...

Alfonsin tax bill is passed

PRESIDENT RAUL Alfonsin's controversial tax package was adopted by the Argentine Congress yesterday as inflation was reported to have reached 175 per cent last year...

US puts pressure on Panama

THE US is intensifying its campaign to press Panama's strongman, General Manuel Noriega, to step down and allow free elections there...

Dole ahead of Bush in Iowa poll

SENATOR Robert Dole of Kansas, capitalising on disaffection with President Ronald Reagan, is leading Vice-President George Bush among Iowa Republicans...

Inkatha, UDF sign peace plea

AFTER months of violence in the black townships around Pietermaritzburg, local church leaders yesterday announced that the United Democratic Front (UDF) and the Zulu Inkatha movement had signed a church-inspired document calling on their supporters to stop committing acts of violence immediately...

Mexican inflation hits record 159%

MEXICAN consumer prices increased 14.3 per cent in December, raising inflation in 1987 to the historic high of 159.2 per cent, against 105.7 per cent last year, and more than double this year's target...

Japan to pay more towards US bases

THE JAPANESE Government will raise substantially the portion it pays of the costs associated with Japanese personnel working on US military bases there, by the fiscal year 1990...

HK banks stop interest on some deposits

HONG KONG banks have stopped or sharply reduced interest payments on some deposits as the British colony tries to revalue its currency...

Shell sues Dutch city over SA boycott

SHELL, the Dutch-British oil multinational, is suing the Dutch city of Hilversum over its refusal to do business with the group Africa...

UK and India in defence link

BRITAIN hopes to sign a memorandum of understanding with India in March for joint defence research projects aimed at increasing the number of manufacturing joint ventures between the two countries...

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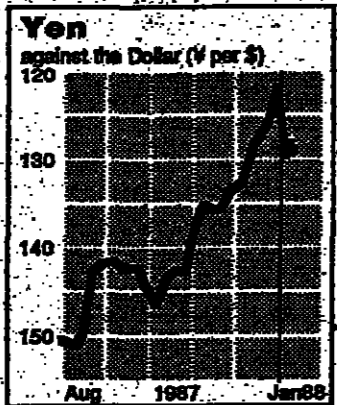
OVERSEAS NEWS

UK NEWS

Stefan Wagstyl on Tokyo's support for the dollar
Breathing space gained but manoeuvres limited

CENTRAL BANK governors this week won a little breathing space in their battle to prop up the US dollar...

Christmas, speculators betting on the dollar's continued fall could not lose because central banks seemed to be acting only to slow the decline...



the dollar. 'They're sitting on the sidelines,' says Mr Koo. 'This attitude is only one sign among many of the prevailing mood in Tokyo that central bank intervention...'

enough to try to start reducing its current account and government budget deficits. Moreover, the administration's room for manoeuvre this year will be limited by the imminence of the US presidential election...

This could effect short-term tactics as well as long-term strategy. At Nomura Research, Mr Koo believes that the Fed's ability to buy dollars this year might be constrained by fears that this could provoke an unwelcome pre-emptive rise in interest rates...

Private economists do not seriously quarrel with Government forecasts of a 3.8 per cent increase in economic growth in the fiscal year from March. There are fears that a sudden further collapse in the dollar, say to ¥110, would have a serious impact on Japanese exporters...

W German move for computer production

By Terry Ledgworth, Industrial Editor

WHITECHAPEL Workstations, the three-year-old London computer group, is embarking on a major expansion programme in which it will transfer all its manufacturing to a West German company.

The decision coincides with the launch of a desktop workstation computer production line at the top end of the market for machines designed for scientific and technical applications.

Whitechapel is planning to sell about 600 such workstations this year, mainly in the UK, but also in western Europe and the US. It will have production capacity for about 2,000 available at the West German plant, owned by CTM, a subsidiary of the Alcatel telecommunications group of France.

Mr Bob Haire, managing director of Whitechapel, says the decision to relocate manufacturing at the company's site in east London was based on the rapid expansion being planned for the group.

Richard Evans on preparations for a controversial privatisation
Water authorities learn to float

THE TRANSFER of the 10 water authorities in England and Wales from the public to the private sector is probably the most contentious of all the Government's privatisation proposals.



Roy Watts: fighting a running battle with ministers

Although the first flotation will not happen before late next year and most authorities will probably have to wait until 1990, there have already been substantial changes in management structures and attitudes as privatisation has become increasingly likely.

From a position that ranged originally from outright disbelief and scepticism to guarded support for privatisation, the chairman and senior management of all 10 authorities are now in favour, largely because of the increased commercial freedom it would bring.

Decisions on the order in which the authorities will be floated will await the privatisation bill in the autumn, but the key to success or failure might lie with Thames Water, by far the largest and most profitable. It serves a quarter of the population of England and Wales, has a turnover of £550m and profits last year of £10m.

Thames is unlikely to be the first to be floated, partly because it would be factually more sensible to test the temperature with a smaller authority, and partly because of ruffled feelings left by the running battle Mr Roy Watts, chairman of Thames, has been conducting with ministers over the industry's structure after privatisation.

before privatisation was proposed towards the end of 1985, but the prospect of flotation and greater competition has undoubtedly hastened the process.

Mr David Luffrum, finance director of Thames and one of the executives charged with preparing for flotation as water services public limited companies, sees three phases in the authority's evolution.

First, after the formation of Thames and the other authorities from hundreds of local-authority-controlled water boards in 1974, came the cost containment phase, when the creation of sound control and appraisal processes was the top priority.

er's first administration. Corporate planning processes were sharpened with an emphasis on efficiency savings and manpower was reduced by 25 per cent.

It was a period of disturbance for staff, but Thames emerged from it a leaner and financially healthier business.

Halfway through the period, Mr Watts, one of the keenest advocates of privatisation, became chairman. He led the third phase, concentrating on commercialisation from 1985 to 1987, when the seeds were sown for Thames to be run as a fully fledged private enterprise.

'The key question was how could growth be obtained in a business where demands for mature core (water and sewerage) services were increasing very slowly,' says Mr Luffrum.

It was decided to establish a new enterprise department, the prime function of which was to identify and develop opportunities for growth.

Three areas were targeted for expansion - better leisure facilities on the Thames, including development of piers; additional services for customers related to water supply such as plumbing; and international consultancy services.

Another area of potential profitability is property. All the water authorities have large amounts of land that could be developed, but the public-sector attitude has been to hang on to it in case of future need. That might change after privatisation.

Support services such as computing, transport and laboratories, have been established as free-standing profit centres, selling services to operating units at market prices.

On the personnel side, management training has been established as a free-standing profit centre, signed by the top 75 managers, and a staff appraisal scheme introduced.

Thames, as a public-sector authority, is heavily unionised. Through the difficult staff reductions the public sector of the Thatcher Government, and the arrival of a more commercially minded chairman?

'It was recognised that a new approach based on an enterprise culture rather than the traditional public-service culture was needed. The prospect of privatisation has hastened the pace of change,' says Mr Luffrum.

Philippine communists 'will attack US businesses'

By Richard Gourlay in Manila

THE COMMUNIST-LED New People's Army of the Philippines has said for the first time that it will strike at US businesses, as well as US troops, stationed in the Philippines.

Targets of NPA operations have been redefined to include not only the Armed Forces of the Philippines but also US imperialist advisers, troops, agents and business enterprises.

Communist 'could become targets for counter-action'. It is unclear where the warning came from and whether officials say they have received no direct threats from the communist rebels.

W German move for computer production

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Birmingham City Council row settled

By Richard Tomkins, Midlands Correspondent

THE EXTRAORDINARY dispute between Birmingham City Council and its outgoing chief executive, Mr Tom Caulcott, appeared yesterday to have been settled.

Mr Caulcott has written to the council apologising for remarks he is alleged to have made about its members and has been reinstated in his £26,000-a-year post.

Former civil servant jailed

Financial Times Reporter

A FORMER senior civil servant at Hampton Court Palace, Middlesex, was jailed for three and a half years and fined £20,000 yesterday for corruption.

The Old Bailey heard that Mr John Trevillion, 64, the former district works officer, was involved in widespread corruption among public servants and private contractors over maintenance of the palace.

Sri Lanka minister seeks poll

By Mervyn de Silva in Colombo

SRI LANKA'S best known minister, Mr Ronnie de Mel, has created an unprecedented furore in Cabinet with an outspoken public attack on Government policy and criticism of actions by President Junius Jayawardene.

Mr de Mel told Parliament: 'Most of our troubles stem from the fact that we haven't had parliamentary elections since 1977. A general election was due in 1983 but Mr Jayawardene amended the constitution by calling a referendum in December 1982 to approve an extension of Parliament for a further six years.'

He raised the topic again this week, telling a rally in his constituency at Bulathsinhala: 'We are sitting on top of a volcano. I only believe in the ballot, not the bullet. Violence is always counter-productive in politics.'

Coal cost claim starts power station rethink

By Maurice Samuels

THE CHEAPEST coal in the UK is at Ballymorey, in Northern Ireland, according to an Australian mining company which wants to supply proposed peat power stations from local deposits of lignite, or brown coal.

Protests in Far East over US imports

By Hiroshi Saito, an official of the Japan Dairy Farmers' Political League, sponsor of the demonstration.

He later promised to compensate them for any loss in income caused by a resumption of US beef imports.

Mr de Mel appears to be responding to fears that the president might look for a similar manoeuvre to avoid an election in 1988. 'We must hold elections before the people get up and say, in God's name go,' he told Parliament, adding that, if his hands had been free in 1982, he would have voted against the referendum.

Public Notice Major DISPOSAL AUCTION

of several hundred exceptionally fine and medium quality, handmade PERSIAN CARPETS and others from the home importer's extensive stock of the East. Included are many antiques, silk, linens, nomades and other unusual items, not generally to be found on the home market.

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Meekatharra Minerals has told Mr Cecil Parkinson, Energy Secretary, that it could provide the fuel at half the price quoted by British Petroleum, which has mining rights to Northern Ireland's other big lignite deposit at Cramlin, County Antrim.

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DEBENI TEWSON CHINN International Pro LOOKING TO THE SECOND HALF WITH CONFIDENCE. Our first set of Interim Results as a quoted company includes many notable highlights.

UK NEWS

Tourism 'may face threat from weakness of dollar'

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

A WARNING that Britain's tourist industry will face stiff competition this year because of the weak dollar was given yesterday by Mr John Lee, Minister for Tourism.



John Lee: operators cannot be complacent

Mr Lee said that although Britain had enjoyed a buoyant year for tourism and was now the fifth most popular tourist destination in the world, "competition at the top can only get more fierce with the weaker dollar and the presidential election possibly keeping Americans at home."

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puico, Mexico, for \$320. Meanwhile, the Consumers' Association warned in its Holiday Which? magazine yesterday that the holiday price war among Britain's package tour operators might threaten the quality of next summer's sunshine holidays.

The magazine says the price war, which started in 1986 and has intensified in recent weeks, has made the tour operators financially vulnerable. "Some may be tempted to cut costs in any way they can, while others have cut their overheads and losses by merging into larger companies," it says.

Change in hotel grading plan

BY OUR LEISURE INDUSTRIES CORRESPONDENT

THE CONTROVERSIAL crown classification scheme for grading hotels, introduced by the English Tourist Board last year, is to be amended to include assessments similar to those used by the motoring organisations.

Although the board tried to bring leading hotels into the crown scheme by awarding special "gold" crowns, criticism has persisted.

The board said: "An increasing number of proprietors within the industry feel that the present scheme does less than justice to those who provide higher standards and to serve the public adequately in its assessment of value for money."

Rival civil engineers dispute China deal

By Nick Garnett

A ROW broke out yesterday between GEC Turbine Generators and Balfour Beatty, the civil engineering company, over the main contract for the proposed Yung Yang coal-fired power station in China.

GEC said it had secured the contract in competition with a consortium of Balfour Beatty and Northern Engineering Industries.

Upjohn begins action over generic drug

BY PETER MARSH

UPJOHN, the US pharmaceuticals company, has taken the first step in what might become a legal battle by big drugs concerns to cut sales in the UK of generic copies of branded medicines.

Generic formulations are based on the same chemicals as the branded products. Companies are normally free to make generic substitutes, which are usually sold at lower prices than the branded version, after the patent life of the original drug has expired.

UK patents normally last for 20 years but, as a result of a legal anomaly, companies can apply for a "second right" to make copies of drugs patented before 1978 four years before the full patent runs out on them.

and efficacy of their formulations. That might reduce their ability to supply cut-price products to the health service.

Washington town centre sold

BY PAUL CHEESEBRIGHT, PROPERTY CORRESPONDENT

POSTEL INVESTMENT Management, representing a consortium of investors in property, has bought the town centre of Washington, in the north-east, for \$20m.

one of the biggest pension fund investors in property, an immediate 10 per cent return on its investment. But that yield is likely to increase after rent reviews due this year.

Because it already had an interest in the town centre, Postel was in effect given the first option on its purchase.

Owen-Tory link likely says Alton

By Ivan Owen

SPECULATION by former allies of Dr David Owen that any success he achieves in preserving a seat in the House of Commons for the Liberal Democrats will ultimately result in it being linked with the Conservative Party was given fresh impetus yesterday.

Mr Charles Savage, managing director of Thomas Kerfoot, said the latter stopped short of asking his company to cease selling the drug. "They (Upjohn) are putting out frightening powder," said Mr Savage.

Bids invited for County Hall

BY OUR PROPERTY CORRESPONDENT

THE SALE of County Hall, former headquarters of the Greater London Council, has entered its final phase with an invitation to 20 companies and consortia to submit bids by April 5.

potential buyers around the world. Richard Ellis, the firm of surveyors acting for the London Residuary Body, has asked shortlisted companies to make a financial offer for the building and provide details of what would be done with them.

County Hall has been the subject of controversy ever since the Government wound up the GLC. The Inner London Education Authority (ILEA) has made an attempt to make it leave the premises. It is now under notice to go by December 1989.

Satellite TV in £15m tender

BY RAYMOND SNOODY

BRITISH Satellite Broadcasting, the UK's direct broadcasting satellite venture, plans to put more than £15m worth of programmes out to tender with independent producers within the next few weeks.

ITN was associated with the BSB franchise application to the Independent Broadcasting Authority, but to date BSB has been unable to agree a price with ITN. Apart from the issue of the programme fee, the channel controller and former Independent Television News executive, will be looking for a wide range of programmes, particularly sport, women's interest and youth programming.

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Airline to continue operating

BY CLAY HARRIS

JOINT administrators were yesterday appointed by the High Court to reorganise British Air Ferries, the Southend-based aircraft charter company, and an associated engineering and maintenance business.

the Civil Aviation Authority and British Aerospace that the new company will be formed by additional 15 years, pending minor modifications. Some of the aircraft have been modified.

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Jobs to be lost as Oldham brewery shuts

By Lisa Wood

RODDINGTON, the Manchester-based brewer, is to close its Oldham brewery and three distribution depots this year with the loss of up to 200 jobs.

Communists plan new party

By Ivor Owen

DIVISIONS among Britain's Communists deepened yesterday with the announcement that a new party is to be formed.

THE launch has been planned by the Communist Campaign Group. Its leading members include dissidents expelled from the mainstream body.

Mr Michael Hicks, chairman of the group, said there were plans to hold a congress in the next few months to launch the party.

Bae welcomes US move on Harrier jets

By David Buchan, Defence Correspondent

BRITISH AEROSPACE has welcomed the compromise decision by US Congressional leaders to fund production of 24 AV8B Harrier jets for the Marine Corps in the current year, because it allows the UK company's sizable joint programme with McDonnell Douglas to supply the jump jets to the British and US armed services.

March opening for Gatwick terminal

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE £250m North Terminal at Gatwick Airport, London's second airport after Heathrow, is to be opened by the Queen on March 18 and will handle 10 million passengers on March 22, it was announced yesterday.

The delay is due to spending restrictions imposed on the former British Airports Authority when it was sold to a Government-owned organisation, which delayed building work.

inally designed to handle up to 16m passengers a year, although it has been progressively enlarged over the past years. It now handles well over 16m passengers a year, so that severe congestion occurs daily.

Antique dealers merge

BY ANTHONY THORNTON

THREE OF London's leading antique dealers are joining forces to form one of the largest companies of its kind.

Mr John Morton Morris, a specialist in English and Old Master drawings, and Mr Niall Hobhouse, who concentrates on national history paintings and design drawings, have bought a majority shareholding in Hazlett, Gooden & Fox, a respected dealer in Old Master and English pictures.

Mr Jack Beer will continue as managing director of Hazlett, Gooden, Fox and Lord Goodman stays as chairman. Williams, supplier of frames to the royal family, which is jointly owned by Mr Morton Morris and Mr Gooden, will also be added to the group.

The two companies have collaborated to improve the original British design of the Harrier and are co-producing the AV8B for the US marines and the virtually identical Harrier GR5 for the Royal Air Force.

Tougher foam furniture curbs urged

BY DAVID CHURCHILL

TOUGHER curbs on foam-filled furniture were called for yesterday by the Chief and Assistant Chief Fire Officers Association in response to the recent spate of fires in the home in which several children have died.

The association is concerned that the proposed government regulations for polyurethane foam used in furniture, due to come into force later this year, will be inadequate. It suggested that Mr Francis Maude, Consumer Affairs Minister, who is introducing the regulations, had been hopelessly ill-advised.

It is urging a series of measures on the Government, including a ban on the use of polyurethane foam in furniture

Accountants displace artists as undergraduates get to work

THE SUBJECTS British university candidates wish to study are changing at a pace faster than universities can adapt to match the supply of student places to shifting requirements.

undergraduate places in 1985 and 1986, when the effects of the population fall were already being felt.

as their first choice has gone up to 2,541, raising the subject's total demand from 1.1 per cent to 1.7 per cent. The share taken by management studies has risen from 2.6 to 3.6 per cent.

over the three-year period were maths, biology, physics, geography, chemistry and English. In addition, French - which would have figured in the top 20 not long ago - dropped from 24th place in 1984 to 28th in 1986, making it the "stagnant" subject with the best statistical chance of entry at 73.9 per cent.

and psychology among the rest. Moreover, only in the case of psychology were as many as two in every five of the 1986 first-choice applicants accepted.

Table with 4 columns: Subject, 1986 Rank, 1986 No of UK applicants, 1986 % taken, 1985 Rank, 1985 No of UK applicants, 1985 % taken. Lists subjects like Law, Medicine, Management studies, etc.

Marconi wins army contract

By David Buchan

THE DEFENCE Ministry has awarded a £12m contract to Marconi Command and Control Systems to make chemical detectors for the armed services.



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G7 pulls off a trick

THE CENTRAL banks of the Group of Seven have decided to open the New Year in the festive spirit, by pulling off a conjuring trick. A good trick needs three elements: surprise, misdirection and defiance of reality. Events of last week lived up to requirements in all respect.

Record deficit

What investors need is, at least, a turnaround in the trend of trade deficits. It is worth noting, however, that November's figures need to be very good, indeed, to offset October's record trade deficit of \$17.6bn.

Secret pact

Then there is the misdirection. The Group of Seven communique of December 23 remarked that "the Ministers and Governors agreed that either excessive fluctuations of exchange rates, a further decline of the dollar, or a rise in the dollar... could be counter-productive."

Man in the News

Vittorio Cassoni

A believer in the intelligent shouting match

By Roderick Oram



EVERY DAY Vittorio Cassoni drives 35 miles from his home in a smart part of Manhattan to offices overlooking the square in Morristown, New Jersey, a rural town famous for a Revolutionary War battle against the British.

Italian computer group 23.5 per cent owned by AT&T, faced a large, sullen and apprehensive group of managers gathered together in Morristown last year for their first face-to-face meeting.

Industry revolution, hinges on establishing a powerful market position for AT&T's crown jewel, the Unix computer operating system. Unix was developed in its Bell Laboratories but licensed cheaply to other developers, who have come up with differing versions.

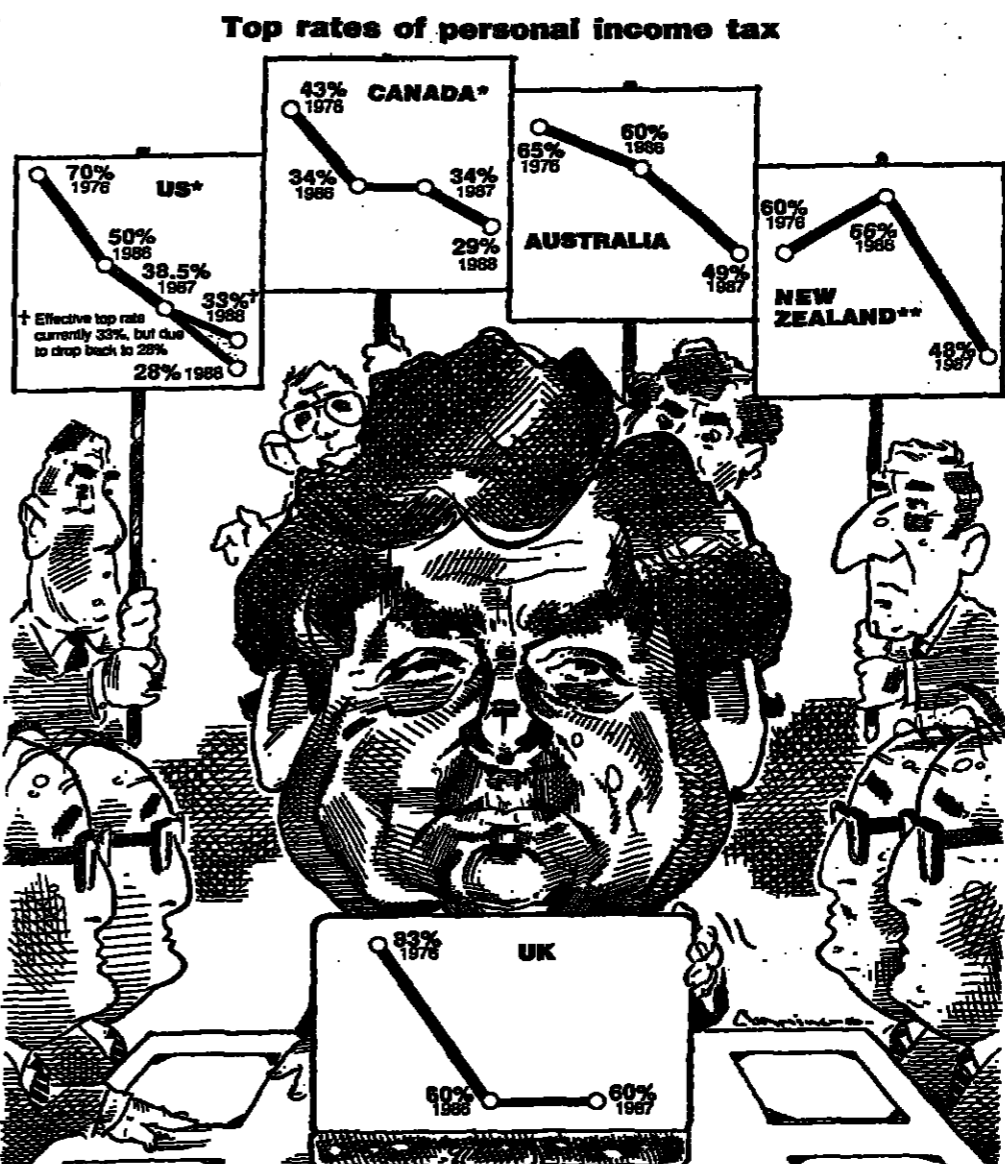
as they match the power of bigger machines at a fraction of the cost. From the outset Sun has decided to build its machines around Unix. AT&T and Sun harbour grand ambitions for Unix.

TAX REFORM

The world plumps for neutrality

By Cedric Sandford

TAX REFORM has been high on the agenda for most developed countries for the last few years. It is particularly topical in the UK this weekend as Mr Nigel Lawson, the Chancellor of the Exchequer, gathers his advisers around him at Chevening for the first planning meeting of the Budget. It is there, in the light of the fundamental changes in taxation going on in other countries, that discussion will focus on British tax.



proportions. Much resentment was generated in the US by the belief that many of the rich were avoiding all tax by using tax shelters. The same belief in Canada led to the introduction of a minimum income tax in 1983.

goods and services tax (GST), its wide base and single rate. VAT has been imposed at a 10 per cent rate on a very wide base - probably the widest of any country in the world.

EXPANSION PLAN - NEW HQ OFFICES - SHORT LIST. Prime Sites South Hampshire, The City, Lower Hamlets, Reading. Rent + Rates £10-00, £66-50, £37-70, £18-65. An independent report by Coopers & Lybrand Associates on Relocation Trends in the Financial Services Sector says of South Hampshire: "Property costs in South Hampshire are considerably lower than those current in London or the Thames Valley."

Andrew Gowers and Tony Walker in Jerusalem on the West Bank and Gaza turmoil

Anger heaped on frustration

A COLD WIND knifes across the barren hills. Small groups of Palestinian men huddle together in the dark under the guns of Israeli soldiers...

Young Palestinians talk with pride of the intifada or uprising, which, in the minds of some, marks a watershed in the struggle for a homeland.

This is by no means the first large-scale outbreak of unrest in the territories in the last two decades. Now, at present, does it pose a serious threat to Israeli military control?

The Israeli Defence Force, with its formidable reputation, proved to be ill-equipped to deal with widespread civil disturbances. Inexperienced soldiers have fired live ammunition into the crowds...

When it seized the West Bank and Gaza - along with the Golan Heights and Sinai - in 1967, Israel's aim in part was to secure a bargaining chip for some future negotiation with its Arab neighbours.



Israeli soldiers seen this week leaving a Palestinian refugee camp in the Gaza strip

effects of the recent unrest has been to unite Israeli politicians around a tough line. Even Mr Shimon Peres, the Foreign Minister and Labour leader...

Few Israelis or Palestinians that inter-communal strife will persist and that there is virtually no prospect for a resolution of the conflict.

Mr Meron Benvenisti, an Israeli former deputy mayor of Jerusalem, an expert on the occupied territories, believes that inter-communal strife will persist...

Britain's newspaper distributors meet their Wapping

FOR 190 years, W. H. Smith, the retail and information group, has distributed The Times newspaper to cities such as Birmingham, Manchester and Bristol.

Mr Murdoch demonstrated in October his intention to turn the traditional wholesaler-publisher relationship on its head by announcing that supplies of The Times, Sun, Today, Sunday Times and News of the World were to be withdrawn from the wholesalers in England.

The biggest loser has been W. H. Smith, which was the wholesale distributor of News International titles in areas covered by 80 of the new franchises.

Mr Bill O'Neill, managing director of News International Newspapers, says the aim was to reduce the number of wholesalers to create a more efficient service and cut costs.

Most of them are reviewing their distribution networks and have been obtaining quotes from road freight companies. Mr Andrew Knight, chief executive of the Daily Telegraph, believes that the extra choice offered by the News International franchisees is potentially beneficial.

One option would be to create around 100 transport points around the country where papers would be picked up by a reduced number of wholesalers - likely to be closer to 300 than Mr Murdoch's 182.

Whatever the outcome, the future looks grim for tiny wholesalers like Howard & Weston, which distributes the Sunday newspapers to newsgaters in a six-mile radius around Chichester and, curiously, the Daily Mail only on weekdays.

Mr Glen Weston decided not to apply for the larger News International franchise on offer for the Chichester area, which went to John Menzies.

Only one kind of success

From Mr George Stern. Sir, it is amazing how uncritically everyone has received the claims made by Lord Thatcher...

In fact, annual inflation under Macmillan's government averaged 2.2 per cent. Other post-war governments all had higher figures.

Anti-inflation Mrs Thatcher averages 7.6 per cent. Even if we accept the usual chearing up the most' wins of the politics, no one foresees a time when Mrs Thatcher will ever achieve an annual inflation rate as low as Macmillan's 2.2 per cent.

Of course Macmillan had unemployment rates hardly more than a tenth of Mrs Thatcher's - and, before the cry of 'scripting' broke up, a real GDP growth rate 50 per cent higher.

I think we must accept that Thatcherism has been successful in one thing only. It has not given less inflation, but more. It has not given more growth, but less. It has not given better services, but worse, and it has not given us a better world.

Letters to the Editor

A few more records to beat

From Mr John Butcher. Sir, Your political correspondent says (January 4) that Mrs Thatcher, having served eight years and 243 days, has become 'the longest-serving British Prime Minister this century'.

Of all the British Prime Ministers this century, the one with the longest total service (mainly in the 19th century) was the Marquis of Salisbury, who served for nearly 14 years during those terms from 1886 to 1902.

The previous record for continuous service by a British PM was that of Lord Liverpool, whose sole term (1812-27) lasted nearly 15 years.

Over the main reason for surpluses emerging in pension funds in recent years has been the rate at which growth of equity dividends has outstripped inflation.

12.6 per cent a year compound, compared with price increases of 4.8 per cent a year, and pay increases of 7.8 per cent a year. As will be seen, equity dividends over 1987 have again outstripped inflation and national average earnings increases.

There are a great many pension funds where the actuarial assessment of surplus reflects rather than the actual principles. Such assessments do not rest on the step rises in market values, and in such funds there are no grounds whatever for suggesting that plans for contribution holidays or reductions yet need to be retracted.

The essential relationship between a pension fund's assets and its liabilities is the link that exists between the real rate of growth of salaries compared to the real rate of growth of dividends. While the ripples from the stock market crash might

Table with 3 columns: Year, Equity dividends, RPI, Earnings. Data for 1982-1987.

Over the six years to December 31 1987, equity dividends increased at an average rate of

Pension funds are no poorer

From Mr H.R. Wynne-Griffith. Sir, Pension fund contribution 'holidays' have not necessarily been affected by the stock market crash to the extent suggested in Eric Short's article (January 5).

The essential relationship between a pension fund's assets and its liabilities is the link that exists between the real rate of growth of salaries compared to the real rate of growth of dividends. While the ripples from the stock market crash might

responsibility for arranging the marriage, and feel morally responsible for helping it to succeed. Another reason why arranged marriages succeed is that the parents invest a good deal of time and money in selecting or approving a partner for their son or daughter.

Asians look at the practical rather than the romantic side of marriage. They know that love alone is not enough to make a marriage last, for to cope with the realities of life. Every marriage, whether it is an arranged or a love match, has its harsh patches, it requires more than love and liking for each other to face the troubled periods.

Bulls, bears and scapegoats

From Mr Michael Hughes. Sir, In 'Letters' (December 19) castigates the stock market for being disconnected from business realities during the recent crash, and blames market makers and short sellers in particular.

Mr Forsyth advocates 'control' of market making, with share prices only being allowed to move under 'genuine buying or selling pressure'. Who would exercise the control, and who would be a market maker under such restrictions?

He would also make short selling - the prevalence of which he greatly exaggerates - illegal. While the 'bear' begins his operation by exerting selling pressure, the shares short must be bought back, exerting an equivalent buying pressure.

I suspect Mr Forsyth is one of those who desire a perpetual bull market in which declines are very shallow and only happen in response to clear economic signals. When the market does not perform in accordance with these desires the bears make a convenient scapegoat.

S.M. Mohan, 11 Lamont Avenue, Harborne, Birmingham

ADVERTISEMENT

Large table titled 'BUILDING SOCIETY INVESTMENT TERMS' with columns for Product, Applied rate, Net CAR, Interest, Minimum, Access, and other details. Lists various investment products from Abbey National, Aldi, and others.

Understanding needed for the institution of 'arranged' marriage

From the Principal, Asian Educational Consultants. Sir, John Elliot is pleasantly surprised (December 23) that a 'slim, tall, fair-skinned, attractive, convent-educated, Oxford and Harvard graduate' has agreed to an arranged marriage and accepted a partner whom she had never seen or met before.

As a modern woman and an important political leader who has always wanted long queues at the labour exchange, it has had no other success - but maybe bullying and spite are the greatest pleasure for many, and the politician who achieves that has achieved the most.

Asians look at the practical rather than the romantic side of marriage. They know that love alone is not enough to make a marriage last, for to cope with the realities of life. Every marriage, whether it is an arranged or a love match, has its harsh patches, it requires more than love and liking for each other to face the troubled periods.

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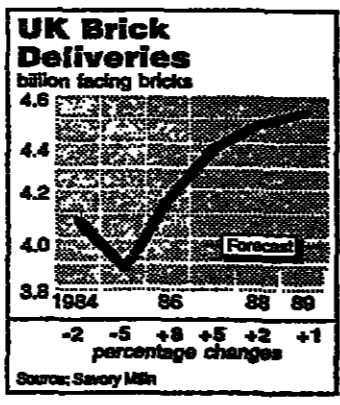
Asians look at the practical rather than the romantic side of marriage. They know that love alone is not enough to make a marriage last, for to cope with the realities of life. Every marriage, whether it is an arranged or a love match, has its harsh patches, it requires more than love and liking for each other to face the troubled periods.

UK COMPANY NEWS

Hanson in £69m brick takeover

THE PIERCE competition to buy Britain's smaller brick companies was highlighted yesterday by the announcement of a £69m takeover bid for George Armitage and Sons, by Hanson, the large industrial conglomerate.

Mr Malcolm Brown, building analyst with stockbroker James Capel, said the high prices offered by Blue Circle and Hanson reflected the takeover enthusiasm for brick manufacturers.



The number of family shareholders had risen to 180, some of whom had been hampered from selling their shares by the unlisted status of the ordinary stock, only the preference stock is listed.

StanChart in \$C96m Canadian injection

By David Lascelles, Banking Editor. The Canadian subsidiary of Standard Chartered has reported a loss of \$C90.9m for its latest financial year because of mounting bad loans and provisions.

Sale of Australian operation boosts Borthwick's shares

SHAREHOLDERS in Borthwick, the troubled food manufacturer and trader, yesterday saw the value of their investment rise by nearly 20 per cent after the company announced that it was pulling out of Australia after 100 years of trading in the country.

manufacturing businesses of flour, bakery products and sweet. The rest of the group, including US trading, wool trading and the UK abattoirs business, is under review.



Lewis Robertson, expansion planned

both the Japanese and Australian businesses, has already paid \$1m of the consideration and will pay the rest on completion, expected to be on February 1.

Bovis buys Ashby & Horner

By Philip Coggan. Bovis, the construction subsidiary of P&O has acquired Ashby & Horner, the oldest building company in the City, for \$10m in cash.

Martell bidders wait on ruling

BY LISA WOOD. THE French Treasury is expected to make an announcement next week on Martell, the French cognac house which is being pursued by Grand Metropolitan and Seagram, two of the world's major drinks companies.

Exchange. The French Government could also scupper both bids. City sources in the UK said Seagram was expected to seek to top GrandMet's offer for Martell should the French authorities decide against its original deal.

Martell to be natural partners. "In the event of Seagram acquiring Martell, we would of course expect them to comply with our long-term agreement."

Williams buys shares in RHP and Burgess

BY DAVID WALLER. SHARES IN RHP and Burgess Group - electrical engineering companies which agreed to merge earlier this week - rose yesterday after it was disclosed that Williams Holdings, the acquisitive mind-conglomerate, was a shareholder in both companies.

Peter Black boosts profits 22%

Peter Black's expectations of growth were fulfilled in the six months to October 31 1987. Sales rose 26 per cent to \$61.35m and pre-tax profit by 22 per cent, from \$3.2m to \$3.9m.

CU new life business advances 28% to £428m

NEW LIFE assurance and pensions premiums went up 28 per cent to \$427.8m in 1987 at Commercial Union Assurance, the composite insurer. The figures included an 88 per cent jump to \$173.3m in new single premiums in the UK.

AJS raises Drayton Japan stake

AJS Partners, the New Jersey-based investment partnership which is pressing for discount-eliminating moves at MIM-Japan investment trust, Drayton Japan, yesterday announced a small increase in its stake.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Corres. payment, Total of year, Total of last year. Includes Black (Peter) and Thorpe & Co.

FT-ACTUARIES SHARE INDICES

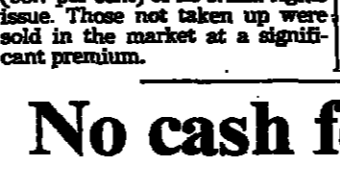
QUARTERLY VALUATION. The market capitalisation of the groups and sub-sections of the FT-Actuaries indices as at December 31, 1987 are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation Dec. 31, 1987, % of All-Share Index, Market capitalisation Sep. 30, 1987, % of All-Share Index, Market capitalisation Jun. 30, 1987, % of All-Share Index. Lists various industry groups like CAPITAL GOODS GROUP, CONSUMER GROUPS, etc.

No cash for Barham minority

HOLDERS OF the last 10 per cent of shares in a takeover target are likely to demand the reinstatement of cash terms if that part of the offer was not directly made by the bidding company itself.

Barham Group



Granada buys Mainstay

FRESH FROM its \$250m takeover of Electronic Rentals, TV and leisure group Granada returned to the acquisition trail, this time to purchase of unlisted computer maintenance business, Mainstay.

Globe heading for Tokyo listing

Globe Investment Trust, the largest investment trust in the world, is heading for a listing of ordinary shares on the Tokyo Stock Exchange at the beginning of next month.

LONDON RECENT ISSUES

Table with columns: Issue, Price, Yield, etc. Lists various financial issues like EQUITIES, FIXED INTEREST STOCKS, RIGHTS OFFERS.

Granville SPONSORED SECURITIES

Table with columns: High, Low, Company, Price, Change, Gross Yield, P/E. Lists various sponsored securities like 206 135 Am. Int. Ind. Ordinary, 207 145 Am. Int. Ind. GBL, etc.



Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table of National and Regional Markets for Thursday January 7 1988 and Wednesday January 6 1988. Columns include Country, US Dollar Index, Day's Change, and 1987/88 High/Low.

Base values: Dec 31, 1986 = 100; Financial Dec 31, 1987 = 115.007 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks for various countries including Australia, Canada, France, Germany, Hong Kong, Ireland, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, and USA.

ECONOMIC DIARY

MONDAY: Retail sales (November-final). Credit business (November). Producer price index (December-provisional). Quarterly analysis of bank advances (November). Parliamentary returns from Christmas recess. Swedish budget. Airbus Industries statement.

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of Equity Groups & Sub-sections for Friday January 8 1988. Columns include Index No., Day's Change, and 1987/88 High/Low. Lists various industry groups like Capital Goods, Building Materials, Computing, etc.

FIXED INTEREST

Table of Fixed Interest rates for various maturities and currencies. Columns include Price Indices, British Government, and Average Gross Redemption Yields.

Time is your most precious resource. Factmaster helps you make the most of it.

You'll wonder how you ever managed without it.

Do you... spend too much time in unproductive meetings? try to carry too much information in your head? always seem to be surrounded by notes and unrelated scraps of paper? find it difficult to delegate tasks which you feel you can complete better and faster yourself? find yourself constantly dealing with minor queries from others? feel "lost" without your secretary? put off potentially difficult tasks because the information you need is not at your fingertips? find it difficult to plan holidays well in advance?

feel that overseas trips are less productive than they should be? not enjoy your job to the fullest? These are all symptoms of inadequate personal organisation and task management, resulting in inefficiency, poor performance and lessened job satisfaction. If only half of them apply to your workstyle - you need Factmaster.

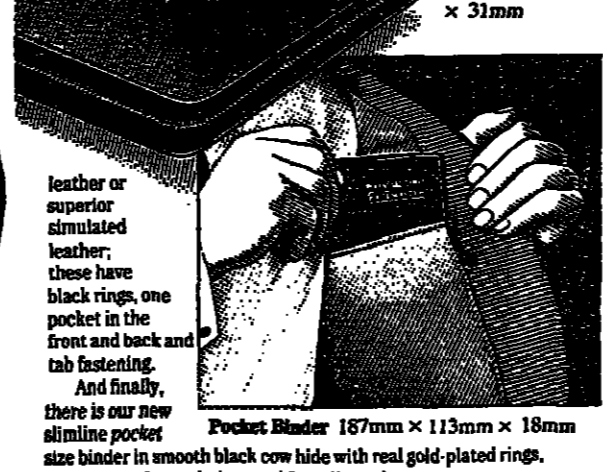
What is Factmaster? FT Factmaster is a flexible, yet carefully structured system of personal organisation and time management that adapts itself to your specific needs. With a very small investment of your time, your personal effectiveness will be transformed - you'll meet deadlines, stay ahead of the game and those around you will respond more positively towards their own tasks and objectives when they see the example you set.

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Information Management: Your own personal and business 'database'. Time Management: Factmaster's Time Management system covers every hour of your day as used to maximum advantage and works best in conjunction with a Factmaster Task Management system. Task Management: The Task Management sections are designed to help you plan, progress and execute tasks efficiently. Factmaster Priority Indexes give you an overall picture of your projects and allow you to decide priorities. Task Overviews define your objectives and systematically break down each project into its elements or sub-tasks. Sub-Task, Action Plans, and Timetables are the implementation pages of your project management that keep your tasks moving ahead on schedule. Work Load Chart. These fold-out sheets show if you're overloading yourself so that you become aware of the danger signs well in advance.

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INTERNATIONAL COMPANIES & FINANCE

MOVE TOWARDS MODERNISATION

Two Turkish state banks to merge

By David Barchard in Ankara

TWO OF Turkey's largest state banks, Emlak Kredi Bankasi and Anadolu Bankasi, have been merged as part of a shake-up in Turkey's state-owned banking sector.

The new bank to be known as Turkiye Enlak Bank, will have its headquarters in Istanbul and will specialise in property and foreign trade transactions.

Mr Bulent Semler, 32, head of the Anadolu Bankasi since August 1985, will be general manager of the new bank.

Mr Semler, who worked in the US before returning to Turkey, is known to be a strong advocate of privatisation and free market policies.

BNL to undergo reshaping

By David Lane in Milan

BANCA NAZIONALE del Lavoro, Italy's largest bank, is to undergo a big reorganisation under which its twenty three departments and sections will disappear, making way for a slimmer structure consisting of five line areas and five staff functions.

GM plans to cut 1,900 jobs

BY OUR FINANCIAL STAFF

GENERAL MOTORS, the largest US vehicle maker, plans to eliminate 1,900 jobs at its Van Nuys, California, assembly plant from February 7, ending the night shift, due to slow sales of the Pontiac Firebird and Chevrolet Camaro sports coupes built there.

Such a "shared employment" scheme has already been used for workers at GM plants in Oshawa, Ontario and Lansing, Michigan, where other staff cuts have work weeks cut rather than implementing permanent cuts in the workforce.

The GM spokesman said management has a tentative agreement with the UAW to implement the plan pending ratification by affected workers.

Banesto shows profit recovery

BY DAVID WHITE IN MADRID

BANCO ESPANOL de Credito (Banesto), which was the target of a takeover bid by the smaller Banco de Bilbao, has shown a recovery in its pre-tax profit for last year to about Pta30bn (\$500m). This followed a 29 per cent loss in 1986, when the group ploughed all its earnings into resolving internal problems.

Global custodian side at Mitsubishi

MITSUBISHI BANK is to start a global custodian business this month for securities investors, in cooperation with banks in 21 countries, Reuters reports from Tokyo.

The bank already operates such a business in the US through its subsidiary, Mitsubishi Bank of California.

Mitsubishi will provide such services as securities delivery and the settlement of funds in line with investors' instructions.

Ericsson to sell US cable offshoots

By Sara Webb in Stockholm

ERICSSON, the Swedish telecommunications and electronics group, has signed a letter of intent to sell the bulk of its Idemco making cable operation in the US to Alcatel of France and BICC of the UK.

CBOE to shed 90 staff following market crash

BY DEBORAH HARGREAVES IN CHICAGO

THE CHICAGO Board Options Exchange (CBOE) is to cut 90 staff in a broad cost-cutting effort prompted by October's stock market crash.

The S&P 100 is the world's busiest futures or options contract and traded more than 10m lots in October. But since then, volume in the contract, which represents 60 per cent of overall CBOE volume, has been down as the market has remained highly volatile.

Nestle buys Chambourcy stake

BY JOHN WICKES IN ZURICH

THE SWISS Nestle group has bought Unilever's 25 per cent stake in the French dairy-product company Chambourcy-La Roche aux Fées. This brings Nestle's shareholding in the Paris-based company to 97.2 per cent.

This had led to the Swiss group acquiring a majority holding in a new organisation including Chambourcy, former Unilever subsidiary La Roche aux Fées and other companies, as well as taking over management responsibility. At the time, the companies concerned had joint sales of FF2.4bn (\$428.5m) plus FF2.65bn (\$77.7m).

ICN Pharmaceuticals lifts Swiss holding

BY OUR NEW YORK STAFF

ICN PHARMACEUTICALS, the tiny California drug company which has raised about \$60m in new capital in the past three years, has increased its holding in the voting stock of F. Hoffmann-La Roche, the Swiss drug group, from 6.3 per cent to 7.3 per cent.

ICN has said it wants to buy a big drug company to promote its drug RibaVirin, which it says is effective against a pre-AIDS condition. But Wall Street says ICN is using its cash hoard, just to speculate in Roche, whose US operations alone are 10 times larger than ICN.

OCE earnings fall as guilder and costs rise

BY LAURA RAUN IN AMSTERDAM

OCE-VAN der Grinten, the Dutch copier maker, confirmed yesterday that its 1987 earnings dropped 11 per cent to F1 75m (\$41.7m) because of the strong guilder and higher expenditures in the US, on research and on new products.

Turnover slipped 3 per cent to F1 1.83bn from F1 1.89bn due to currency factors and the disposal of OCE-Andover, a specialty chemicals subsidiary. Yesterday's preliminary 1987 figures are in line with OCE's forecast in October. Detailed figures will be released around February 10.

Computervision rejects Prime Computer offer

By Our Financial Staff

COMPUTERVISION, the Massachusetts-based computer-aided design/computer aided manufacturing (CAD/CAM) concern, said its board unanimously rejected an inadequate Prime Computer's \$135.50 per share tender offer for all Computervision shares, valuing the company at \$300m.

In language characteristic of US takeover defences, Computervision said it had instructed management to work with advisers to explore a variety of alternatives to the \$135.50 per share offer. The alternatives may involve a merger with another company or the purchase of a "substantial business" by Computervision.

Painewebber unit in deal

PAINWEBBER Group, the US brokerage house, said its Mitchell Hutchins Asset Management affiliate had agreed to acquire Manhattan Investment Services, an institutional investment management subsidiary of the big US bank, for undisclosed terms, writes Our Financial Staff.

WORLD COMMODITIES PRICES

LONDON MARKETS

COFFEE PRICES eased back further on the London futures market yesterday after delegates at the International Coffee Organisation meeting in London deferred consideration of producer demands for an extra cut in export quotas in an attempt to prop up values.

Table with columns: Commodity, Close, Previous, High/Low. Includes COCOA 2/tonne, COFFEE 2/tonne, SUGAR 5 per tonne.

Table with columns: Commodity, Close, Previous, High/Low. Includes Premium Gasoline, Gas Oil, Heavy Fuel Oil, Naphtha, Petroleum Argus Estimates.

LONDON METAL EXCHANGE

Table with columns: Commodity, Close, Previous, High/Low, AM Official, Karb close, Open interest. Includes Aluminium, Copper, Lead, Nickel, Zinc.

LONDON BULLION MARKET

Table with columns: Commodity, Close, Previous, High/Low. Includes Gold, Silver, Platinum, Palladium.

US MARKETS

Table with columns: Commodity, Close, Previous, High/Low. Includes CRUDE OIL, HEATING OIL, COCOA, POTATOES, SOYABEAN MEAL, SUGAR WORLD, COTTON, GORHAM, SILVER, COPPER.

Chicago

Table with columns: Commodity, Close, Previous, High/Low. Includes SOYABEANS, SOYABEAN OIL, SOYABEAN MEAL, MAIZE, WHEAT, LIVE CATTLE, LIVE HOGS.

SPOT MARKETS

Table with columns: Commodity, Close, Previous, High/Low. Includes Crude oil, Dubai, Brent Blend, W.T.I. (pm est), Oil products, Premium Gasoline, Gas Oil, Heavy Fuel Oil, Naphtha, Petroleum Argus Estimates, Other, Gold, Silver, Platinum, Palladium, Aluminium, Copper, Lead, Nickel, Tin, Zinc, Cattle, Sheep, Pigs, London daily sugar, London daily sugar (white), Tates and Lyle export price, Barley, Malt, Wheat, Rubber, Rubber (May), Rubber (Nov), Coconut oil, Copra, Soyabean, Cotton, Woollap, Cotton wool, Rubber latex, Rubber (May), Rubber (Nov), Coconut oil, Copra, Soyabean, Cotton, Woollap, Cotton wool, Rubber latex, Rubber (May), Rubber (Nov), Coconut oil, Copra, Soyabean, Cotton, Woollap, Cotton wool, Rubber latex.

GRAINS 2/tonne

Table with columns: Commodity, Close, Previous, High/Low. Includes Wheat, Barley, Oats, Rye, Corn, Soyabean.

PREMIUM FUTURES 2/tonne

Table with columns: Commodity, Close, Previous, High/Low. Includes Wheat, Barley, Oats, Rye, Corn, Soyabean.

SPICES

Table with columns: Commodity, Close, Previous, High/Low. Includes Pepper, Cloves, Cardamom, Nutmeg, Mace, Vanilla, Saffron, Turmeric, Ginger, Sesame, Mustard, Coriander, Fennel, Anise, Licorice, Vanilla, Saffron, Turmeric, Ginger, Sesame, Mustard, Coriander, Fennel, Anise, Licorice.

LONDON METAL EXCHANGE TRADED OPTIONS

Table with columns: Commodity, Calls, Puts. Includes Aluminium, Copper, Lead, Nickel, Zinc.

INDEXES

Table with columns: Index, Close, Previous, High/Low. Includes FTSE 100, Nikkei, Dow Jones, Hang Seng, CCI, etc.

WORLD STOCK MARKETS

NEW YORK (3 pm)

Table of New York stock market data including Dow Jones, NYSE Composite, and various active stocks with columns for price, change, and volume.

Wall Street Stocks fall as profits are taken

WALL STREET stocks continued their sharp decline with blue chips, leaders of recent gains, among the hard-hit issues as profit-taking set in after several days of gains. Selling was light and the retreat orderly.

Canada

Toronto stocks fell into a slump at mid-session, pushed lower by a decline in active trading. Energy stocks also showed some weakness.

North American closing prices were unavailable for this edition.

Australia

Selling in the mining sector and light profit-taking among industrialists led the Australian share market to close easier but off the day's lows.

Tokyo

Share prices closed firm but off their highs in active trading as bullish sentiment collided with profit-taking, with the market apparently unable to break the 23,000-point barrier.

Hong Kong

Profit-taking brought shares down from their early peak although they still closed slightly higher in active trading.

Singapore

Share prices fell moderately across the board for the first time this year after five days of sharp gains.

Frankfurt

Another rise in the dollar boosted share prices, but this was watered down by negative news about industrial orders. They finished higher but off the best levels of the day.

Madrid

Shares on the Madrid bourse closed higher, as optimism over a firmer dollar countered profit-taking by cautious traders.

Japan

Share prices closed firm but off their highs in active trading as bullish sentiment collided with profit-taking, with the market apparently unable to break the 23,000-point barrier.

Germany

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Netherlands

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Sweden

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South Africa

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India

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Philippines

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Thailand

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Malaysia

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Indonesia

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South Korea

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Taiwan

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China

Share prices closed firm but off their highs in active trading as bullish sentiment collided with profit-taking, with the market apparently unable to break the 23,000-point barrier.

INDICES

NEW YORK

Table of New York indices including Dow Jones, NYSE Composite, and various active stocks.

NEW YORK DOW JONES

Table of Dow Jones index data with columns for date, high, low, and change.

CANADA

Table of Canadian stock market data including Toronto 300 index and various active stocks.

NEW YORK ACTIVE STOCKS

Table of active New York stocks with columns for stock name, price, change, and volume.

Large table of international stock market data for various countries including Australia, Japan, Germany, Netherlands, Sweden, South Africa, India, Philippines, Thailand, Malaysia, Indonesia, South Korea, Taiwan, and China.

Small print at the bottom of the page containing legal disclaimers and publication information.

CURRENCIES & MONEY

LONDON STOCK EXCHANGE

Gilt-edged and equities close lower

FOREIGN EXCHANGES

Dollar firm but nervous

THE DOLLAR rose from overnight levels but there was no clear trading pattern in currency markets yesterday...

The dollar's improvement was based on two factors. Firstly, there was a reluctance to run short dollar positions...

Consequently the US unit was confined to a comparatively tight band. Dealers saw a level of DM1,650 and ¥130.0 as being the top end of the dollar's range...

York was severely hampered by heavy snow falls. This meant that many banks were working with a skeleton staff...

The dollar closed at DM1,651.5 from DM1,648.8 and there was no intervention by the Bundesbank...

Sterling finished unchanged on the day, its exchange rate index closed at 75.3 compared with 75.2 at the opening...

The dollar closed at DM1,651.5 from DM1,648.8 and there was no intervention by the Bundesbank...

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The dollar closed at DM1,651.5 from DM1,648.8 and there was no intervention by the Bundesbank...

Table with columns: Jan. 8, Latest, Previous. Rows include 1 month, 3 months, 6 months, 9 months, 12 months for various currencies.

STERLING INDEX table with columns: Jan. 8, Latest, Previous. Rows include 8.00, 10.00, 12.00, 14.00, 16.00, 18.00, 20.00, 22.00, 24.00, 26.00, 28.00, 30.00, 32.00, 34.00.

CURRENCY RATES table with columns: Jan. 8, Latest, Previous. Rows include Sterling, US Dollar, Canadian Dollar, Australian Dollar, etc.

CURRENCY MOVEMENTS table with columns: Jan. 8, Latest, Previous. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES table with columns: Jan. 8, Latest, Previous. Rows include Argentina, Australia, Brazil, etc.

EXCHANGE CROSS RATES table with columns: Jan. 8, Latest, Previous. Rows include DM, Yen, SFR, etc.

LONDON MONEY RATES table with columns: Jan. 8, Latest, Previous. Rows include 1 month, 3 months, 6 months, 12 months.

MONEY MARKETS table with columns: Jan. 8, Latest, Previous. Rows include UK clearing bank base, lending rate, etc.

UK rates slightly firmer table with columns: Jan. 8, Latest, Previous. Rows include Treasury bill, etc.

POUND SPOT - FORWARD AGAINST THE POUND table with columns: Jan. 8, Latest, Previous. Rows include 1 month, 3 months, 6 months, 12 months.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR table with columns: Jan. 8, Latest, Previous. Rows include 1 month, 3 months, 6 months, 12 months.

EURO-CURRENCY INTEREST RATES table with columns: Jan. 8, Latest, Previous. Rows include 1 month, 3 months, 6 months, 12 months.

EXCHANGE CROSS RATES table with columns: Jan. 8, Latest, Previous. Rows include DM, Yen, SFR, etc.

LONDON MONEY RATES table with columns: Jan. 8, Latest, Previous. Rows include 1 month, 3 months, 6 months, 12 months.

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MONEY MARKETS table with columns: Jan. 8, Latest, Previous. Rows include UK clearing bank base, lending rate, etc.

ACCOUNT DEALING DATES

Table with columns: Account, Dealings, Last, Account Day. Rows include Dec 21, Jan 7, Jan 15, Jan 21, Feb 5, Feb 11.

THE UK SECURITIES markets ended the week in a hesitant form yesterday, with equities unhappy over Wall Street's weakness...

The London markets began to show uncertainty at mid-morning when the news tapes carried reports from the Washington Budget Commission...

Government bonds were in the doldrums, with no sign of buyers. Short dated eased in response to the Bank Governor's base rate warning...

There were fairly sizeable falls in BAT Industries and Shell. Major developments included the withdrawal of the Bank of England's 70p share safety net...

Oil shares remained active, with the City taking heed of a UK Treasury statement that the Kuwait Investment Office has denied intentions of bidding for British Petroleum...

Consumer stocks, depressed this week by City concern over the pace of business over Christmas, were lower on the Bank Governor's warning on interest rates...

FINANCIAL TIMES STOCK INDICES table with columns: Index, Jan. 8, Jan. 7, Jan. 6, Jan. 5, Jan. 4, Jan. 3, Jan. 2, Jan. 1, Year Ago. Rows include Government Sec, Bond Yield, Div. Yield, etc.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-0898 123001

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473p on one stage close 1 1/2% on balance at 471 1/2p. Filkington, a good market earlier in the Account on the theory that BTR may return with a fresh offer for the company...

strongly to close 7 higher at 222p. The continued demand for RHP, however, also reflected disquiet, more widely appreciated yesterday, that Williams Holdings...

legally put on 5 to 27 1/2p. after further good support from the new-found enthusiasm and the shares swept 17 higher to 53 1/2p with turnover expanding to 1.5m shares...

ICL, having benefited from a broker's recommendation and currency influences early on, closed 12 1/2 higher at 161 1/2p. Wall Street came in lower to close unchanged at 111 1/2p...

The heaviest turnover in the stores sector was in Freemans where brokers acting on behalf of Sears were thought to have picked up just over 9m shares to add to their substantial stake in the company...

The leading retailers were mixed after a week that saw many of the top line brokers reduced their forecasts after a period of lower than expected sales in the high streets...

Financial Times article in early-morning in John Crowther and the price fell to 117p before rallying to 119 1/2p by the end of the day...

An extensive article in early-morning in John Crowther and the price fell to 117p before rallying to 119 1/2p by the end of the day...

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LONDON STOCK EXCHANGE

DEALINGS

Details of business done below have been taken from the London Stock Exchange... Details of business done below have been taken from the London Stock Exchange...

Corporation and County Stocks No. of bargains included 111... Greater London Council 1987-88... Greater London Council 1988-89...

UK Public Bonds No. of bargains included 4... Agricultural Mortgage Corp PLC 1987-88... Agricultural Mortgage Corp PLC 1988-89...

Foreign Stocks, Bonds, etc. (coupons payable in London) No. of bargains included 14... Abbey National Building Society 7 1/2%... Abbey National Building Society 8 1/2%...

Registered Housing Associations No. of bargains included 1... ABC Housing Association 1987-88... ABC Housing Association 1988-89...

Commercial, Industrial, etc. No. of bargains included 1473... AEG 1987-88... AEG 1988-89... AEG 1989-90...

Starling Issues by Overseas Borrowers No. of bargains included 42... American Brands Inc 12 1/2%... American Brands Inc 13 1/2%...

Banks and Discount Companies No. of bargains included 191... Bank of Wales PLC 1987-88... Bank of Wales PLC 1988-89...

Banking and Finance No. of bargains included 111... Bank of Wales PLC 1987-88... Bank of Wales PLC 1988-89...

Banking and Finance No. of bargains included 111... Bank of Wales PLC 1987-88... Bank of Wales PLC 1988-89...

Continental Commercial Brands 10 1/2%... Continental Commercial Brands 11 1/2%... Continental Commercial Brands 12 1/2%...

Breweries and Distilleries No. of bargains included 10... Allied-Lyons PLC 1987-88... Allied-Lyons PLC 1988-89...

Commercial, Industrial, etc. No. of bargains included 1473... AEG 1987-88... AEG 1988-89... AEG 1989-90...

Commercial, Industrial, etc. No. of bargains included 1473... AEG 1987-88... AEG 1988-89... AEG 1989-90...

Commercial, Industrial, etc. No. of bargains included 1473... AEG 1987-88... AEG 1988-89... AEG 1989-90...

Commercial, Industrial, etc. No. of bargains included 1473... AEG 1987-88... AEG 1988-89... AEG 1989-90...

Arrow Hedge PLCs No. of bargains included 2668... Arrow Hedge PLC 1987-88... Arrow Hedge PLC 1988-89...

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RAILWAYS No. of bargains included 4... C&N Corporation 1987-88... C&N Corporation 1988-89...

Shipping No. of bargains included 140... P&O Shipping Line 1987-88... P&O Shipping Line 1988-89...

Utilities No. of bargains included 21... British Gas PLC 1987-88... British Gas PLC 1988-89...

Water Works No. of bargains included 4... London Waterworks 1987-88... London Waterworks 1988-89...

USM Appendix No. of bargains included 198... USM Appendix 1987-88... USM Appendix 1988-89...

Applications submitted for specific bargains in securities not listed on any exchange... Applications submitted for specific bargains in securities not listed on any exchange...

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Finstat logo with tagline 'The prices that mean business' and 'FT PRICES ONLINE'.

Advertisement for Finstat's desktop computer service, highlighting financial information at a reasonable price.

A form for requesting a trial of the Finstat service, including fields for name, organization, address, and telephone.

LEADERS AND LAGGARDS

Percentage changes since December 31 1987 based on Thursday January 7 1988

Table with 2 columns: Sector and Percentage change. Includes Chemicals & Metals, Health & Household Products, etc.

RISES AND FALLS

Table with 2 columns: Category and Rises/Falls. Includes British Funds, Corporations, etc.

BANK RETURN

Table with 3 columns: Category, Wednesday January 6 1988, Increase (+) or Decrease (-) for week. Includes LIABILITIES, ASSETS, ISSUE DEPARTMENT.

BASE LENDING RATES

Table with 2 columns: Bank and Rate. Lists various banks and their base lending rates.

EUROPEAN OPTIONS EXCHANGE

Table with multiple columns: Series, Vol, Last, etc. for various European options.

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts, their managers, and performance data. Includes columns for Name, Manager, and other details.

Advertisement for BLESMA (British Limbless Men's Association) featuring a photo of a man and a woman, and text about their services.

FT UNIT TRUST INFORMATION SERVICE

Table of financial data for various unit trusts, including columns for fund names, dates, and values.

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INSURANCES

Table of insurance-related financial data, including columns for company names, dates, and values.

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, organized into columns for various fund categories and providers. Includes sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS



FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table containing FT Unit Trust Information Service data, listing various unit trusts with columns for Name, Investment Objective, and other details.

Table containing London Share Service data, including sections for British Funds, Foreign Bonds & Rails, Americans, Commonwealth & African Loans, and Money Market Trust Funds.

Table containing Money Market Bank Accounts and Money Market Trust Funds data, listing various financial products and their details.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as Amgen, Amstar, and Amstar Chemical, with columns for company name, price, and change.

CANADIANS

Table listing Canadian companies such as Alcan, Alcan Aluminum, and Alcan Chemical, with columns for company name, price, and change.

BANKS, HP & LEASING

Table listing financial institutions and leasing companies such as Amalgamated Bank, Amalgamated Finance, and Amalgamated Leasing, with columns for company name, price, and change.

BEERS, WINES & SPIRITS

Table listing beverage companies such as Anheuser-Busch, Anheuser-Busch Inc, and Anheuser-Busch USA, with columns for company name, price, and change.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies such as Amstar Building, Amstar Timber, and Amstar Roads, with columns for company name, price, and change.

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CHEMICALS, PLASTICS

Table listing chemical and plastic companies such as Amstar Chemical, Amstar Plastics, and Amstar Polymers, with columns for company name, price, and change.

DRAPERY AND STORES

Table listing retail and drapery companies such as Amstar Drapery, Amstar Stores, and Amstar Textiles, with columns for company name, price, and change.

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DRAPERY AND STORES - Contd

Table listing retail and drapery companies such as Amstar Drapery, Amstar Stores, and Amstar Textiles, with columns for company name, price, and change.

ELECTRICALS

Table listing electrical companies such as Amstar Electrical, Amstar Power, and Amstar Energy, with columns for company name, price, and change.

ENGINEERING - Contd

Table listing engineering companies such as Amstar Engineering, Amstar Design, and Amstar Research, with columns for company name, price, and change.

FOOD, GROCERIES, ETC

Table listing food and grocery companies such as Amstar Food, Amstar Groceries, and Amstar Retail, with columns for company name, price, and change.

DRAPERY AND STORES

Table listing retail and drapery companies such as Amstar Drapery, Amstar Stores, and Amstar Textiles, with columns for company name, price, and change.

ENGINEERING - Contd

Table listing engineering companies such as Amstar Engineering, Amstar Design, and Amstar Research, with columns for company name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies such as Amstar Industrial, Amstar Manufacturing, and Amstar Services, with columns for company name, price, and change.

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INSURANCES

Table listing insurance companies such as Amstar Insurance, Amstar Risk, and Amstar Underwriting, with columns for company name, price, and change.

LONDON SHARE SERVICE

INSURANCES - Contd

Table listing insurance companies and their share prices, including Royal Indemnity, Commercial Union Assurance, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table listing paper, printing, and advertising companies and their share prices, including Newsprint, Printing, and Advertising firms.

TEXTILES - Contd

Table listing textile companies and their share prices, including various spinning and weaving firms.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land companies and their share prices, including various investment and financial institutions.

OIL AND GAS - Contd

Table listing oil and gas companies and their share prices, including various petroleum and energy firms.

MINES - Contd

Table listing mining companies and their share prices, including various metal and coal mining firms.

LEISURE

Table listing leisure companies and their share prices, including various entertainment and recreation firms.

PROPERTY

Table listing property companies and their share prices, including various real estate and development firms.

TOBACCO

Table listing tobacco companies and their share prices, including various cigarette and tobacco firms.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies and their share prices, including various investment and financial institutions.

FINANCE, LAND, etc

Table listing finance, land, and other companies and their share prices, including various financial and service firms.

OVERSEAS TRADERS

Table listing overseas trading companies and their share prices, including various international trade firms.

PLANTATIONS

Table listing plantation companies and their share prices, including various agricultural and land management firms.

MINES

Table listing mining companies and their share prices, including various metal and coal mining firms.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their share prices, including various automotive and aviation firms.

Commercial Vehicles

Table listing commercial vehicle companies and their share prices, including various truck and bus manufacturers.

Components

Table listing component companies and their share prices, including various parts and accessories manufacturers.

Carriage and Distribution

Table listing carriage and distribution companies and their share prices, including various logistics and transport firms.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their share prices, including various media and information firms.

SHIPPING

Table listing shipping companies and their share prices, including various maritime and transport firms.

SHOES AND LEATHER

Table listing shoe and leather companies and their share prices, including various footwear and leather goods firms.

SOUTH AFRICANS

Table listing South African companies and their share prices, including various firms from that region.

TEXTILES

Table listing textile companies and their share prices, including various spinning and weaving firms.

OIL AND GAS

Table listing oil and gas companies and their share prices, including various petroleum and energy firms.

Far West Rand

Table listing Far West Rand mining companies and their share prices.

Central African

Table listing Central African mining companies and their share prices.

Dismined and Platina

Table listing Dismined and Platina mining companies and their share prices.

Control African

Table listing Control African mining companies and their share prices.

Fluoro

Table listing Fluoro mining companies and their share prices.

Other

Table listing other mining companies and their share prices.

THIRD MARKET

Table listing third market companies and their share prices, including various international and foreign firms.

NOTES

Notes providing detailed information about company shares, including dividend details, interest rates, and other financial data.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks and their share prices, including various local and international firms.

IRISH

Table listing Irish companies and their share prices, including various firms from Ireland.

TRADITIONAL OPTIONS

Table listing traditional options and their share prices, including various financial instruments and derivatives.







MARKETS

# Theatrical ploy wins an ovation in Tokyo

JAPAN'S Ministry of Finance has often demonstrated a deft hand at writing scripts for Tokyo financial markets. By this week, however, its plot for the Tokyo stock market had become so bogged down that it decided to resort to a *deus ex machina* to save the situation.

The device was clumsy, but it had an instant and dramatic effect, sending the Nikkei average of 226 leading shares on the Tokyo Stock Exchange up 1,215.22 points on Wednesday, the second largest one-day gain in history. This was followed by further small rises on Thursday and Friday, and the Nikkei closed at 237,256, nearly 8 per cent above the week's low point on Tuesday, the first day of 1988 trading. Volume in each of the last three days was roughly double the average daily rate in November.

It remains to be seen if the MoF's theatrical device - an accounting rule change aimed at dissuading some institutional investors from liquidating their portfolios in March - will still be working its magic at that time. However, Tokyo analysts are agreed that the outlook for the world's largest stock market is now less uncertain than it was before Wednesday. "We have not so changed our forecast for the market since Wednesday," one foreign stockbroker in Tokyo

claimed yesterday. "But we feel a lot more confident about it now."

The move by the MoF was breathtaking in its audacity, reversing a drive to improve disclosure by big institutional investors. A year ago, the Ministry served notice on the country's Tokkin fund operators that they would henceforth have to prepare the annual evaluations of their holdings on the basis of

## Japan

the lower of cost or market prices. Until then, Tokkin funds, which have become popular vehicles among industrial and life insurance companies for investing surplus funds, had been allowed to state values at cost, thus concealing any losses until realisation. The new guidelines went through with a minimum of fuss but, in the wake of the October stock market crash, Tokkin fund operators suddenly realised that they would soon have to report significant losses.

In the case of life insurance companies, the losses would affect dividend payments to policyholders. Securities industry leaders feared that operators of Tokkin funds would be so demoralised by the experience that many would liquidate their funds at the fiscal year end in

March. The cumulative value of Tokkin funds and the closely related fund trusts had become so large (¥30,200bn [\$222.2bn] at the end of November) that this could become a serious drag on the stock market.

Some MoF officials believe the sell-off might have been as much as ¥2,000bn, causing TSE prices to plunge. Analysts say fear of this prospect was already affecting the market. They say Tokkin managers had begun to sell shares in anticipation of liquidations, fearing that prices would move lower in the next two months, and that this was a significant factor in the unusual slump in the market at the end of last year.

So, how do things look in the wake of what might be called the great Tokkin adjustment? Still not brilliant, according to most analysts in Tokyo, but perhaps offering potential for growth for the selective investor. A few large negative factors still overhang the market, chief among them uncertainties about exchange rates, world trade and the performance of other stock markets, especially New York. Many Tokyo analysts fear that the underlying trend for the dollar, despite this week's sharp recovery, is still downward, and that could undermine the recovery of Japanese manufacturing shares. They are also worried

Country	% change Jan 2 1987	% change Oct 19 1987
Australia	+1.0	-35.9
Austria	-5.0	-5.0
Belgium	+5.9	-4.1
Canada	+15.4	+0.6
Denmark	+14.2	-3.8
France	-13.7	-5.5
Germany	-24.5	-15.9
Hong Kong	-5.1	-29.5
Ireland	+8.9	-25.2
Italy	-22.7	-14.0
Japan	+41.2	-4.5
Malaysia	+28.1	-7.4
Mexico	-0.2	-5.0
Netherlands	+2.7	-5.0
New Zealand	+8.4	-34.5
Norway	+5.5	-25.2
Singapore	+38.7	-29.0
South Africa	+23.5	-17.5
Spain	-1.5	-15.2
Sweden	-18.3	-15.2
Switzerland	+23.5	-7.5
USA	+4.4	+14.5

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that US trade and economic data to be published in the next few weeks will show little, if any, improvement and so could hurt market sentiment.

Domestically, the high level of outstanding share purchases made on margin remains a concern. Under Japan's peculiar system, margin accounts can be held open for six months and a big block, worth ¥6,600bn, will come due in mid-April. This potential problem would ease if the market continues to rise.

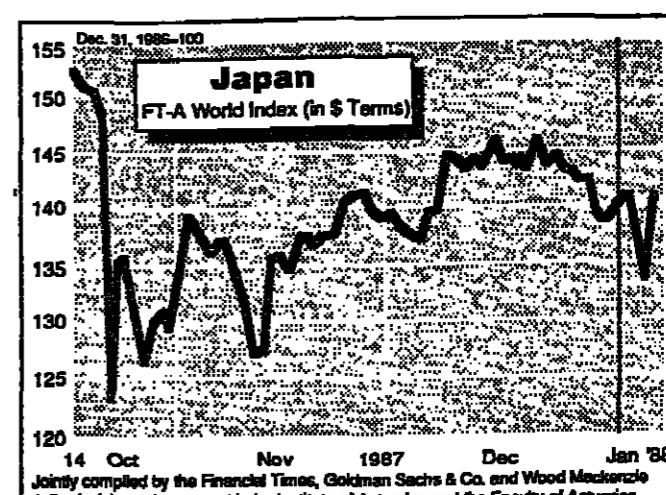
Also, although the life insurance companies have been saved from their Tokkin difficulties, they are expected to sell a lot of shares near the fiscal year-end to offset foreign exchange losses on overseas investments.

"We see a pretty choppy couple of months through the spring," Mr Bob Burkhardt, of Swiss brokers SBCI Securities in Tokyo, said yesterday. However, some positive forces are at work, especially the very strong performance of the domestic economy. Despite market upheavals, many analysts are looking for the Japanese economy to grow at a rate of about 4 per cent in the 1988-89 fiscal year, based on very strong domestic demand offsetting declining external income. In this environment, corporate profits are expected to continue rising, especially those of manufacturing companies that rely mainly on the domestic market.

Nizumo, of Citicorp Securities Vickers International in Tokyo. He suggested chemical, pharmaceutical, machinery and paper companies would be among those outperforming the market as a whole.

Another potentially positive factor is that further MoF rule changes in the works mean that some financial institutions will be allowed to direct more of their funds to the stock market than in the past. The MoF also wants to make more privatisation share issues this year, so it will probably continue to take a positive attitude to ideas that would help keep the market sweet. It has been widely noted that the shares of Nippon Telegraph and Telephone (NTT), the latest tranche of which was sold by MoF in November at ¥2,44m per share, have been among the best performers in this week's recovery, rising from a low of ¥2,08m on Tuesday to ¥2,25m at yesterday's close. MoF is planning a further large NTT issue later this year.

Few analysts are looking for spectacular overall gains. They recognise that all categories of investors are nervous and that it will take some time for confidence to be restored. Mr Michio Oikawa, of Nomura Securities, predicted that the Tokkin rule change would restore institutional buying immediately, but



Jointly compiled by the Financial Times, Goldman Sachs & Co, and Wood Mackenzie & Co. Ltd. In conjunction with the Institute of Actuaries and the Faculty of Actuaries

that individuals and foreign investors would be slower in returning. Foreign investors have been the main sellers in recent months and their presence in the Tokyo market has been reduced to less than 3 per cent. "I believe we are at the beginning of the next foreign investment boom," Mr Oikawa said. "It will not happen immediately, but step by step."

The possible return of foreign investors is inevitably tied with the controversial question of whether or not the Tokyo stock market is ridiculously overvalued. Many analysts in Europe and the US are predicting that Tokyo share prices, which are

much higher relative to stated earnings than those in other major markets, will soon fall substantially. The counter-argument is that accounting differences and cross shareholdings by Japanese companies make comparisons on the basis of price earnings ratios misleading. "The absolute bears on Tokyo may well be right - in which case none of the other factors now affecting the market will make much difference. But they have been wrong for a long time, and have missed a lot of opportunities for making handsome profits."

Ian Rodger

# Still scared of the shadows

CONSIDERING THAT the greatest hopes for the US economy in the aftermath of the October crash lie in the manufacturing sector, the New Year has opened on a paradoxical note.

It is the falling dollar that is supposed to assure salvation for US manufacturers and exporters. Why is it, then, that Wall Street has derived such pleasure - 113 points worth of pressure on the Dow Jones Industrial Index in the first four days of last week - from the currency's spectacular rebound since Monday? And why did share prices promptly begin to tumble again on Friday morning, as soon as the dollar recovery seemed to grind to a halt?

Economists can, of course, come up with numerous explanations. This week the most popular view among economic fundamentalists is that the dollar had already fallen "too far" by the end of December. A dollar worth ¥130 or even more was quite low enough to provide US manufacturing industry with all the stimulus it could cope with.

Any further decline would be inflationary for the US economy, which was already responding strongly to the dollar's 50 per cent devaluation since 1985.

As for the stock market crash in October, consumers and industrialists have proved remarkably resilient, as evidenced by the continuing growth of retail sales and employment in December. Admittedly, there has only been one previous occasion this century when the US

Wall Street economy has managed to avoid recession in the wake of a 50 per cent drop in the stockmarket, and that was during World War Two. But historical rules of thumb are made to be broken and this time round the consensus among economists is clear: the US economy will grow by 2 to 3 per cent next year, even without any further devaluation of the dollar. The trade deficit,

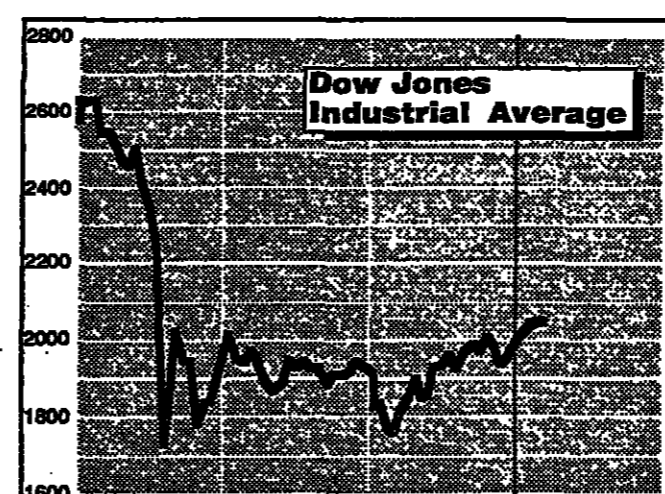
meanwhile, is clearly on the mend, as the next set of trade figures, due out on Friday, are likely to demonstrate.

There are a number of problems about this fundamental explanation of the simultaneous revival of the dollar and the stock market. One is that the improvement in the trade figures, which is justifiably expected, will still leave the US importing at least \$100bn more goods each year than it exports, a situation which can hardly be regarded as a stable equilibrium. A second problem is that some of the same economists who are explaining and justifying the dollar's rise this month, were equally confident and cogent in rationalising its collapse in December.

There is, however, a more convincing visceral explanation for the revival of confidence on Wall Street. In the last three months, the market's fear of its own shadow has been far greater than its concern about corporate profits, trade flows or any other

aspect of economic performance. This week's successful show of force by the world's central bankers has been an enormous relief to investors everywhere. Fund managers and traders, despite the millions they are paid for their sagacity and skill in allocating the world's productive resources, have always found it an enormous reassurance that there are underpaid, overworked and generally despised public officials waiting in the wings to rescue the private markets from the consequences of their much-vaunted foresight and wisdom.

Indeed, in retrospect, it is now arguable that the beginning of the end of the Bull Market of Our Lifetime came on June 3 last year, when Mr Paul Volcker announced his retirement as chairman of the Federal Reserve Board. From the day in 1980 when he decided that once and for all he would tackle US inflation, the physically gigantic Mr Volcker had come to be seen as a lone Atlas, bearing the whole of



the world economy on his shoulders.

Since August 1982 the great bull market had been Mr Volcker's creature. Economists, investors and even politicians everywhere had come to regard him with almost religious awe. The interest rate on US Federal

Funds, the sole economic variable directly determined by the Fed, came to be seen as an instrument of virtually boundless power, capable of ensuring stable non-inflationary growth around the world, as long as it was safely under Mr Volcker's control.

The fact that the Dow actually jumped 42 points and the dollar strengthened on the day Mr Volcker decided to step down suggested strongly that the world's financial markets had forgotten entirely about the meaning of fear, as this column argued last week. Mr Oikawa said, "It will not happen immediately, but step by step."

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much higher relative to stated earnings than those in other major markets, will soon fall substantially. The counter-argument is that accounting differences and cross shareholdings by Japanese companies make comparisons on the basis of price earnings ratios misleading. "The absolute bears on Tokyo may well be right - in which case none of the other factors now affecting the market will make much difference. But they have been wrong for a long time, and have missed a lot of opportunities for making handsome profits."

Ian Rodger

Anatole Kaletsky

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FINANCE & THE FAMILY

Bonus payout blow

October's crash hit maturing endowments, reports Eric Short

YEAR AFTER year, life insurance companies have declared increased bonuses on maturing endowments. All that has varied has been the size of the rise.

Table with columns: Maturity Values on With-Profits Contracts taken out by a man aged 29, paying £20 a month gross. Rows include 10 Years and 25 Years for various companies like Clerical Medical, Norwich Union, etc.

most of the companies in this category have had to reduce terminal bonus rates back to around last year's levels of last January. Maturity values this month on contracts with these companies have fallen substantially, compared with maturities last month, though they are little different from maturity pay-outs in January 1987.

Case for the defence

CONVERTIBLE unit trusts are being promoted by the industry for their defensive qualities. As the table shows, there is a small but growing convertibles sub-sector in the unit trust industry.

return is partly in the form of a fixed rate coupon, they will always have some inherent value, and the price can fall only so far. Unit trusts tend not to hold to conversion as a matter of policy - although short-term equity holdings are permitted in trust deeds.

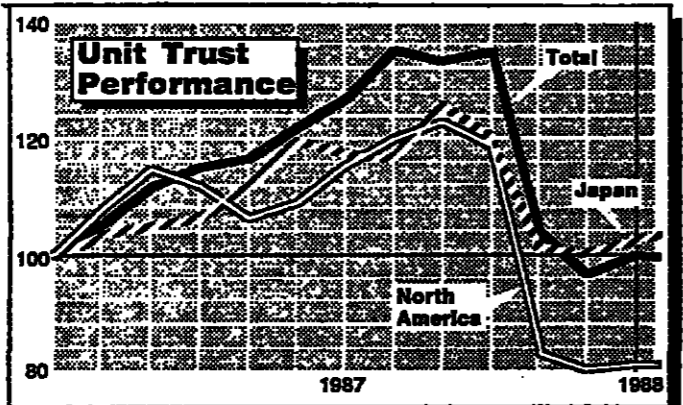
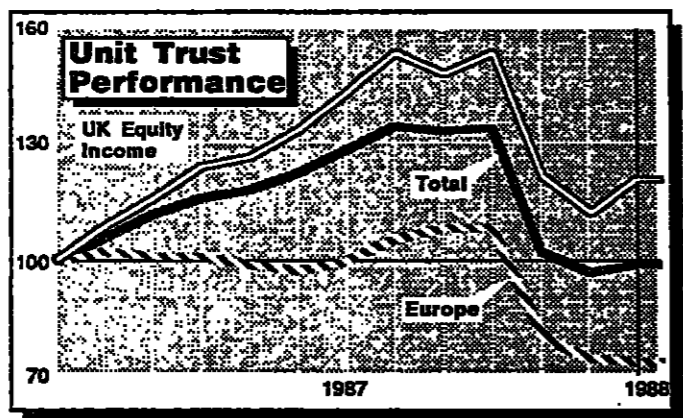
Performance of convertible trusts (Figures show performance to 28.12.87, offer to bid, income reinvested). Table with columns: Trust Name, Performance to 28.12.87, Offer to bid, Income reinvested.

convertible trusts have a high yield with which to console themselves: the BG trust currently yields 7.5 per cent. It is prevented by its trust deed from holding gilts in the portfolio, which has also damaged post-crash performance.

Christine Stopp

Funds slide

UNIT TRUST investors, looking at the charts above, may now appreciate the time-honoured warning that values can go down, as well as up.



On a happier, or possibly nostalgic note, Opal says that its figures for the past five years show that the average trust, on an offer to bid basis, turned £100 into £293.10 - a compound annual growth rate of 18.44 per cent.

William Cochrane

Grounds for optimism...

VISITING garden centres at the weekend is beginning to rival football and do-it-yourself as the great British pastimes. Fifty-seven per cent of British adults called in at their local centre in 1985.

consolidation." Average net margins tend to be just under 10 per cent, but with better purchasing and sharper marketing and pricing these could be as high as 13 per cent.



Kendrick: big is beautiful

Potential investors should bear in mind that the garden centre explosion may be over, but Kendrick has a solid track record, an adjective which could apply to the issue as well.

Heather Farnbrough

Eric Short on the options for employees who can make their own arrangements

Decision time nears on pensions

WITH THE Government's brave new world of pensions due to come into being from April, employees now have the right to decide for themselves how they intend to provide for their pension in retirement.

Individual pension arrangements have to operate on a money purchase basis. However, a growing number of company pension schemes arrangements now operate on a money purchase basis and the number is likely to expand rapidly under the new framework.

investment performance by the pension fund goes to the employer, who also carries the risk of suffering from a poor performance. It is up to the employer whether a good investment return is shared with employees by improving benefits under the scheme.

BUSINESS EXPANSION SCHEME Invest with the leader. Lazard Brothers has launched The Ninth Lazard Development Capital Fund, its final BES fund for the 1987/88 tax year.

The United Bank of Kuwait PLC. MORTGAGE RATE REDUCTION 9.75% APR 10.2% FOR ALL HOME LOANS



FINANCE & THE FAMILY

Alice Rawsthorn on the plight of abandoned pets at Battersea

Going to the dogs

The poor dog in life the first friend. The first to welcome, foremost to defend.

FOR MOST Britons the weeks after Christmas are punctuated by the tedium of the return to work and the dismantling of seasonal decorations.



All in a good cause

On every ordinary day of the year a hundred or so people arrive at the dogs' home in search of new dogs in the days after Christmas.

The Battersea Dogs' Home has been part of London life for decades. It was founded in 1890 by Mrs Tealby, who took pity on the stray dogs left to wander the streets around her home in North London.

Mrs Tealby took the dogs into her home. But after ten years or so, when the house was bursting at the seams, she sought a permanent place in Battersea.

Today the home accommodates 700 dogs on the same site in the shadow of Battersea Power Station, greeting passers-by with a crescendo of barking and the unmistakable whiff of hound.

The reason for the home is to offer a permanent place for dogs which have been lost or abandoned by their owners within the Greater London area.

Every day the police pick up dozens of strays on London streets. Some dogs are genuinely lost and many will be claimed by their owners during the day.

The remainder, and those animals which have been dumped by people who are no longer willing or able to look after them, are left at the police station. Each evening Scotland Yard sends details of the abandoned animals to the home.

By law the police must keep stray dogs for seven days, giving the owners time to claim them. After that, if the police are unable to find accommodation for the dogs, there is generally no alternative but to put them down.

By providing that accommodation, the Battersea Dogs' Home ensures that the dogs need not be put down. It also offers a place for "long stay dogs" - those owned by people within Greater London who have to spend a long time in prison and hospital - at its country home outside Windsor.

Some of the dogs which arrive at the home are claimed by their owners - roughly 15 per cent return to their original homes. The rest remain at Battersea. Most will be sold.

The dogs sell for between £20 and £50 depending on their age and pedigree (or lack thereof). Each prospective purchaser is vetted to see whether they are able to give the dog the care it needs. The home checks to make sure that would-be owners will be able to exercise the animal adequately and will make proper provision for it when they go on holiday.

The proceeds from the sale of dogs make an important contribution to the home's running costs. It needs £1m a year to keep going: dog food alone costs more than £50,000. Some money comes from the police, as payment for taking care of the animals for the statutory seven-day period, and about a third of its income comes from public donations.

Given that the home is now overcrowded - most of the dogs share kennels - the manager, Bill Wadman Taylor, is eager to expand. Plans have been drawn up to build 200 extra kennels. The home is now considering whether to mount an appeal for the £750,000 needed to fund the expansion programme.

In theory, the home offers long term accommodation for its animals, but in practice relatively few dogs live there for longer than a few weeks or months. Most are claimed or sold. Any animals that become ill or vicious have to be put down. Some family pets, for example, are so traumatised by the experience of living within an institution that they become unmanageable.

Yet other dogs relish the institutional life. Blackie, for example, is a veteran of the home. He arrived a few years ago and was soon bought by a family. A few days later he returned, having "escaped" from his new owners and made his way back to the home. He stayed for a few more weeks until another family bought him. Within a few days Blackie returned again. The Battersea Dogs' Home admitted defeat. He has stayed there as a yard dog ever since.

John Edwards on a fine time to pit your wits against the experts

Investment without tears

THE STOCK market has started this year on an even more confused and uncertain note than usual. In the aftermath of Black Monday in October, no clear discernible trend has emerged and the pundits are cautious about making any firm predictions which might be made to look like nonsense the following day.

It is a time when the private investor has as good a chance as the professional in forecasting the likely trend in the market. The FT Readers Race, run in conjunction with the Great Investment Race, gives you the chance to match your skill with the professionals.

Like the nine teams of fund managers in the Great Investment Race, entrants in the Readers Race are given \$35,000 (on paper) to invest and achieve the highest return by next December. You select five shares from the accompanying list of FT-SE 100 index stocks which you think will perform best in the next eleven months.

To provide a guide as to how your portfolio is performing throughout the year, the FT will publish quarterly reports on the Readers Race and give separate quarterly prizes. As a tie-breaker, and in order to qualify for the quarterly prizes, being donated by the Financial Times in its centenary year, you also have to estimate the FT-SE 100 index on four separate dates throughout the year.

However, the extra effort will bring extra reward. Apart from the quarterly prizes, Prudential/Holborn, sponsors of the Race, have doubled the top prize for

FT READERS ( GREAT INVESTMENT ) RACE

Portfolio of five shares chosen from FT-SE 100 under	Listed number of share from FT-SE as shown in accompanying table			
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Entry number (Do not use)				
Name	Address			



readers to \$5,000 of Holborn unit trusts of your choice. The entrance fee remains unchanged at £10, which goes to charity. Charity Projects, organisers of the Race, do not deduct costs from contributions made, since they are entirely financed by sponsors. Your £10 is donated to charities helping young people who are homeless, disabled or have drink or drug abuse problems. You can send as many entries as you like, as long as each is accompanied by a cheque or postal order, which must be made out to Charity Projects.

Receipts, or acknowledgement of entries, unfortunately cannot be supplied. However, you can assume that once your cheque is cashed, the money has gone to Charity Projects and you are entered in the race. Charity Projects numbers all entries before sending them to WM Company, which is monitoring the race. The numbers and portfolios selected are put on computer, together with the Index guesstimates, so WM Company only knows the winning number, which is then matched with the record of names and addresses kept by Charity Projects.

So even if you are gloomy, or uncertain, about investing in the stock market itself at present, you can test your forecasting skill while contributing to charity and gaining a chance to win \$5,000 of the quarterly prizes.



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FTBI INVESTOR'S GUIDE TO THE STOCK MARKET by Gordon Cunningham. Includes Order Form with details on price, payment, and terms.

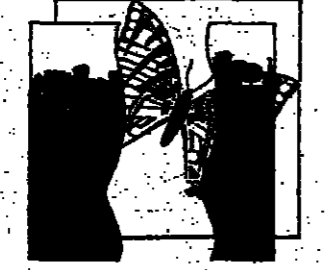


TRAVEL · MOTORING ·

Roger Beard reconsiders the racy reputation of Marseilles

From red light to respectable

MARSEILLES must be one of the few towns in France without a street named after Woodrow Wilson, and probably the only one with an avenue dedicated to William Booth, the Salvationist. It is that sort of town, independent to the point of eccentricity and not at all what you expect.



Weekend Break

Historically the town that always got it wrong, it backed Pompey against Caesar, the Federalists against the Revolution, the Empire and, when the monarchy was restored, pro-Empire. The power house of the Resistance during the occupation, today Marseilles is where Jean-Marie Le Pen tries to raise the standard of the far right.

Most of the guidebooks get it wrong too. If you are looking for the Canebiere to be both elegant and teeming with Latinians and Lacars, you will be disappointed. That description dates from a book written not even pre-war but in 1841 when the greatest port in the Mediterranean was indeed full of tall ships and swarty sailors.

to reach Marseilles in just four-and-a-half hours. With its hostesses and good food the TGV is a treat in itself as it thunders down the Rhone Valley past the industrial wasteland of the Berre lagoon and into the grandeur of Marseille's St-Charles Station. Always the traditional route to the south, you can now make it in half the time.

You get your first surprise when you step from the train and on to the grand stone staircase leading from the station to the Boulevard d'Athens and the Canebiere beyond. Dating from the 20's and festooned with marble statues, it is a monument to the Second Empire unsurpassed in pompousness. It is also impossible to climb when laden down with luggage.

To find the modern proof that Marseilles faces towards Africa and away from France, you must turn off the Canebiere and onto the Cours Balmace in the African quarter, where the sea of brown faces is a walking, strolling reminder of the nation's colonial heritage.



Fort St. Jean at the entrance to the Old Port of Marseilles

of the sea, which can be as rough and grey as Biscay, but as you turn up to the Notre Dame de la Garde Basilica you will get the view over Old Marseilles that is well worth the 500ft climb.

For a stroll, take the President Kennedy corniche past the Foreign Legion headquarters out towards the fishing hamlet of Vallon des Auffes and Pointe Rouge beyond. For a long way the road is within spray distance

The Marseilles Opera house is well known, but there are also, astonishingly, 15 live theatres, ranging from the classical to the fringe for those whose language is up to it. In any one month they can give you Moliere, Beckett, Balzac or Genet, Pirandello or Shakespeare.

But perhaps Marseilles' best lost cause is its most modern one. East of the Old Town stands a singular reminder of that particular post-war inhumanity, the tower block. This one is 17 storeys tall and carries an excellent pedigree: by Le Corbusier out of slum clearance.

Annalena McAfee on trips to cultivate your mind, not your suntan

Holidays for high-brows

explore the work of a single great artist. Among the other trips offered is a 10-day tour of The Land of the Teutonic Knights - a look at medieval architecture in northern Poland. The highlights include Torun castle, the remote Chelms Cathedral, monasteries of the fortified cathedral of Kwidzyn and the Knight's Great Watermill in Gdansk.

James through Toulouse, Moissac, Pamplona, and Astorga. Serenissima's week-long trip to the Soviet Union looks at the Palaces and Gardens of St Petersburg, visits the Hermitage Museum (twice) and the country palaces of Tsarskoye Selo, Pavlovsk, Peterhof and Oranienbaum. There are also visits to the opera or ballet.

"VERY well organised," says one satisfied customer cited in Prospect Tours' 1988 brochure. "The public transport was good, and the coach trips very scenic and enjoyable." The name appended to this modest praise comes as something of a shock: Piero della Francesca.

Mediterranean, the Aegean, the Black Sea and the Red Sea between March and November. Their 1988 brochure promises the prospect of cruising through the Corinth Canal listening to an on-deck lecture on the way Corinthians hauled their ships across the isthmus or stiding among the ruins of Troy listening to quotations from Homer in ancient Greek.



A backward glance

BEFORE LOOKING at some forthcoming motoring highlights of 1988 it is worth taking a backward glance at the old year, a year dominated by the Japanese industry, from whose research departments and assembly lines innovative ideas and products poured in an endless stream.

Some of the cars that impressed me most last year were the Metro-sized Subaru Justy with selectible four-wheel drive for easy, firm, confident roads or muddy tracks. The Mazda 323 Turbo 4x4 Lux had permanent four-wheel drive, four valves per cylinder, turbo-charging with intercooling and power steering, all for a mere £12,000. For me, the Mazda was the ultimate hatchback for usable high performance in all weather, spoiled only by its rancorousness. The Peugeot 309GTI, for under £10,000, was a great goer and a good alternative to a 305GTI, even if more interior and luggage space were needed.

PICK OF THE BEST ACCESSORIES

THREE OF the best accessories to appear last year were the interior mirror, the auto-dimming rear-view mirror, and the battery cut-out to reduce fire risk after a crash and a traction aid for snow driving. The Stewart Automotive Eclipse mirror makes it unnecessary for a driver to take a hand from the wheel to kill a dazzle from a following car, because the mirror does so automatically in a fraction of a second. It replaces the normal mirror, works from its own battery or the car's electrical system and costs £25.95. Details from Stewart Automotive Group, Green Lane, Wetherby, West Yorkshire LS17 7BQ.

Holidays & Travel

Advertisement for Italy's Beaches and Cities, Lanzarote Fuerteventura & The Algarve, China & Beyond, and other travel services. Includes contact information for HOSKINGS ABROAD.

Advertisement for Rekindling the finest traditions of travel... GRAND TOURS. Includes contact information for Cox & Kings.

Advertisement for India holidays by A&K. Includes a large image of a peacock and contact information for Stuart Marshall.

Advertisement for Quality Villas in Tuscany. Includes contact information for Hoskings/Cluendel.

Advertisement for St. Godrics College, London, The School of English. Includes contact information for the college.

Advertisement for Institut de Francais, the most renowned school for French. Includes contact information for the institute.

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John Brennan on how to insure your holiday home against hazards both natural and man-made

**Policies for a place in the sun**

THE OWNER of a holiday farmhouse in southern Italy could never pin down where the Lira equivalent of just under £2 a month went to. It was not an enormous expense and it was collected politely by a gentleman from the village - who smiled and nodded with studious incomprehension as anything beyond discussion of the weather and the olive crop - a few days after the owner arrived each summer, just as it had been from the previous owners, and from the ones before them.

After a little investigation and a few discreet conversations with other foreign owners in the area, the British owner decided diplomatically to waive his investigations. What he did discover was that the money ensured that the local tearaways gave the farmhouse a wide berth. He was also informally assured that any visiting thieves would be made aware of the unnervingly homicidal extent of shotgun ownership in the village.

This local Italian solution to holiday property insurance is not specifically covered in the maze of clauses and sub-clauses that form part of the programme to harmonise financial services within the European Community. And while, in theory, we will all be able to insure anything anywhere within the Community by 1992, Ladbroke's would be ill-advised to take bets on a gentleman from the Prudentia ousting the local representative of the Mafia when it comes to isolated homes abroad.

At the moment, most EEC countries technically require properties within their borders to be insured locally, otherwise any claims involving their nationals might have to be dealt with under another country's legal system. That is one of the reasons why bigger British insurers handle foreign policy applications where they have their own local insurance operations, but pass-on overseas residential busi-

ness to their opposite numbers in countries where they are not represented. "We would normally recommend people to take out a local policy because UK ones could lead to problems," says Alan Roberts.

In France, the local Gendarmerie has to be shown the insurance cover papers for a property before title can be transferred to a new owner. Diana Horner-Hill, a leading UK agent for French properties, explains that, in her experience, "most buyers either take out the insurance of the previous owner, or they have no problems getting insurance sorted out by the agent on the spot."

The Horner-Hill's own holiday home, in the Dordogne, is locally insured, but Mrs Horner-Hill found that "they would not issue water damage cover because of the problems of burst water pipes in a property that is not occupied all year." Otherwise, French policies are pretty much the same as in Britain in providing fire, theft, flood and usual building risks. Premiums also are much the same, and French insurers weight the charges to cover high-priced contents left in

often unoccupied properties just as heavily as any British underwriter.

As Mrs Horner-Hill says, "It is less of a problem in country properties, although I do know of people who have had a lot of damage done, and there are examples of isolated properties being broken into and looted. But it is nothing like Cannes and Nice, where you cannot take a decent car into the town without having the radio taken out. The French tend to barricade themselves in, but really it is common sense that owners should not leave a lot of valuables in an unoccupied property."

However, as Brian Sharp found out, getting insured locally is not always that easy. Sharp's insurance Brokerage had been offering cover specifically tailored for second-home owners with properties in Britain for years when a holiday in Spain provided the reason for setting up an international version of that policy. "I met a number of people in Marbella that I had known before, when I was insuring their holiday properties in Britain. They were all fed up with trying to make sense of Spanish insurance

cover such things as water damage, as long as normal precautions are taken when the property is unoccupied. Like its competitor UK policies contracted in Britain and payable in sterling for overseas properties - most of which are underwritten by Lloyd's syndicates - Holiday Homes insurance falls outside the rules about local policies for local properties. But even with the French policy checks Sharp says that "we have never had a policy refused by them. Normally we would expect no problems with British nationals who are policy holders. But we would advise people who are resident abroad to insure locally."

Oddly enough, Sharp finds that as many as 20 per cent of the people who take out property insurance through his scheme decide to leave out the optional legal liability cover. It is odd because the kind of costs one might run into on a public liability claim would make most insurance structure and contents claims look insignificant in comparison. Sharp presently has a case which may rank as the sun-belt equivalent of that claim of a state falling off the roof onto a passer-by. In its Costa del Sol version, the claim involves an owner being sued by a visitor whose finger got caught in a deckchair that might - or might not - be deemed to have been faulty.

The appeal of getting a British policy covering the risks involved in owning a home abroad has not been lost on the Abbey National Building Society. If the simplicity of a British policy, paid for in sterling, can attract the customers, what about a straightforward British home loan as well? Since the Building Societies Act has permitted UK societies to operate in Europe from January 1 1988, the New Year sees the start of the Abbey National's drive into Spain with the opening of an office on Gibraltar.

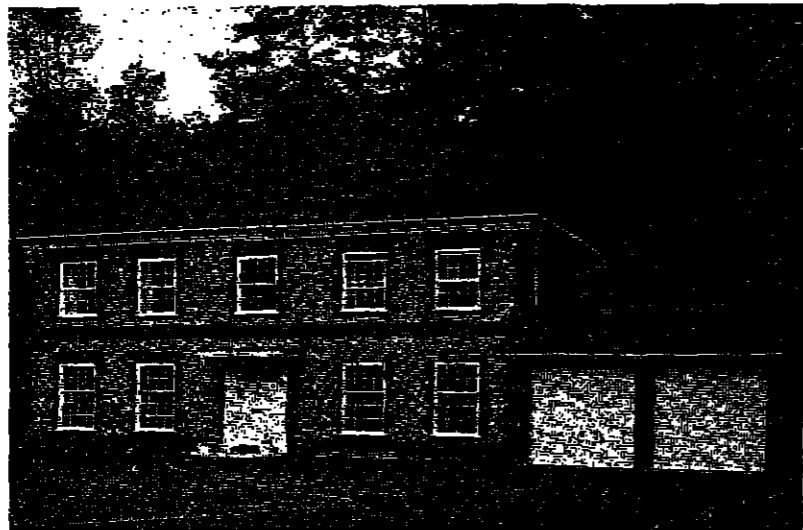
Having tested the domestic Spanish market with the launch last October of Abbeycor Nacional Hipotecario - its home finance company for Spanish nationals - the Abbey National's CorGroup and Winterthur-Swiss Insurance - Abbey National is now to provide a one-stop mortgage and insurance package for people thinking of buying along the Spanish coast.

It is unlikely that those Italian freelance insurance collectors with their shotguns will be unduly concerned about news that the men from Peter Street have landed on the Rock. But the Abbey's move is just the latest in the steady, albeit painfully slow, progress towards breaking down the commercial and cultural barriers to the free transfer of properties within the EEC.



Hampton Village, west along the river from Teddington and within constant earshot of Heathrow, has a dozen centuries of development to confuse anyone looking for architectural consistency. When Shakespearean actor David Garrick lived in Hampton in the 17th century his own home, the twin gabled Dutch-style Old Grange, was a modern rebuilding of an earlier Tudor home. The bakehouse of that Tudor property remains within the Grade II listed town house which Black Horse Associates, Gascolgne-Peet, Teddington Branch (01-977-0102) now has on offer for £450,000 freehold.

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Price: 26 million pes. (approx. £130,000).  
Full details from Paul Adams 6 Pembury Close, Hayes, Bromley, Kent. BR2 7PS.

Exclusive detached house in Pueblo Village - Lomas del Marbella. The house is in immaculate condition, the large terrace has a fountain and built in barbecue. The terrace has sun throughout the day. Beautiful views - superb setting. Price £170,000.00 (all inclusive - off-shore company.)  
For full details write to Nicola Pearce, 7 Broadheath Drive Chislehurst Kent, or Tel: 01-467-9645.

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GARDENING

Arthur Hellyer looks at a dominant figure in English gardening

IT IS easy to slip into the error of regarding John Claudius Loudon as a Victorian because he had many of the Victorian characteristics, including an intense devotion to work and complete faith in his own abilities.

Coining the gardenesque



John Claudius Loudon, a Scot with his own style of garden-making

During those 56 years he became a dominant figure in English gardening. He founded, edited and wrote most of The Gardener's Magazine, wrote three highly condensed encyclopedias of gardening on agriculture, plants and planned gardens, coined a new name, The Gardenesque, for his own preferred style of garden making.

He was also a man of immense fortitude. When his right arm had to be amputated in 1825 he said to have invited the surgeon to lunch, walked him around the garden, then submitted to the operation, without anaesthetic of course, and returned to work in the evening.

He described his travels in The Gardener's Magazine and it was an excellent idea of Priscilla Boniface to make a selection of these articles, rearranging them to a regional, rather than a chronological, order and taking only sufficient to make a single book of manageable size.

He was also pleased to find the flower beds planted with the choice of the new half-hardy annuals, including Salvia splendens and another variety of which a drawing was made for him by Miss Sarah Terry.

On his first visit to Chatsworth in 1831 Loudon found a great deal of which to disapprove. The house was a square pile of bulk-

but to the two ends of the long oblong mall on the south front of the house. Mr Paxton was busy building his great conservatory of which Loudon highly approved.

It is easy to mock Loudon's certitude but he is often right. He is certainly right about the lack of unity at Chatsworth and that is one reason why it is such an impossible garden to photograph well.

London visited Harlaxton Manor while it was being built. He was greatly impressed by that super elaborate example of the neo-Gothic style.

He thought there was a great deal of formality and quaintness about the place, formality in the regular cutting of the undergrowth and quaintness in the continuance of the over-conspicuous and superfluously high stone bridge and the numerous temples and statues.

He also noted with evident amusement that the gardener, while travelling in the Caucasus, had seen and collected Heracleum giganteum, the giant hogweed, to grow in the woods, not knowing that it was already introduced into England.

In Search of English Gardens. Selected by Priscilla Boniface. Leonard Books, 28 Hainings Road, Luton, LU1 5E.

International Property

THE MOST INCREDIBLE OFFER EVER SEEN IN THE WORLD OF TIMESHARE! During the last year and a half this Club Riviera Timeshare Resort on Spain's Costa del Sol has been one of the fastest selling Timeshares in Europe.

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London Property

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INTERNATIONAL PROPERTY The Residential Property Pages of the Weekend F.T. carry properties for sale.

BARNSTAPLE, DEVON Magnificent rural setting yet within easy reach of access to North Devon link road now under construction.

ASHFORD KENT FOR SALE By Contractual Tender LAND ADJOINING FINEWOOD, KENNINGINGTON ROAD

Through the Weekend FT Property Pages To advertise your property in the Saturday property pages, simply complete the coupon below and return it to: Francis Phillips, Classified Sales Manager, Financial Times, 10 Cannon Street, London EC4P 4BF.

How to buy a villa in Tenerife, a house in Hampshire and still bank £45,000 Say your house in Surrey is worth £235,000. All you have to do is to sell it and then you can buy a superb three bed villa on the fairway of the spectacular Amarilla Golf & Country Club in Southern Tenerife costing £70,000 freehold.

DIVERSIONS



Flight of fancy

NOT FOR 12 years has there been such a superb Christmas break for gardeners...



Gardening

into the soil. Plants do not eat; they drink, and the beauty of bone meal is that it breaks down gradually...

Robin Lane Fox

My final resolution is to try as many unfamiliar plants as possible, without being too doctrinaire...

Between now and early March, we have the chance to use bone meal as a first dressing...

Antony Thorncroft looks at reasons for the apparent generosity of auction houses

When poachers turn gamekeepers

THIS IS the time of the year when the poachers turn gamekeepers. The sound of the auctioneer's gavel is silent in the land...

Philip de Laszlo's Princess Elizabeth in the Childhood display



too grasping, and make much of their negotiating skills in arranging private treaty sales...

have fetched that price at auction. Christie's, as well as gaining goodwill from the deal...

It is the very success of the auction houses that has aroused the antagonism of the art world...

There is one practical step that the auction houses could take which would improve their relationship with the museums...

At Christie's the Christmas break is taken more academically and on show is the finest group of Camden Town School paintings assembled for many years...

There is a reason for Sotheby's and Christie's apparent generosity in offering their space for worthy causes...

Museum staff are fed up with giving free advice on suspect objects referred to them by the salerooms...

Sotheby's and Christie's are well aware that they cannot be seen to be aiding research in June and Sotheby's helped to sort out the Whitechapel Art Gallery's financial problems...

The salerooms make much of their modest sponsorship of good causes. On average they give their time and skill towards the organisation of perhaps half a dozen charity auctions each year...

Sotheby's and Christie's are well aware that they cannot be seen to be aiding research in June and Sotheby's helped to sort out the Whitechapel Art Gallery's financial problems...

Jonathan Sale on a new paper for young readers

Tabloid bedtime stories

A NEW national paper is launched on Wednesday, a quality product aimed at children...



Dr Barry Weightman, now chairman and managing director...

Like the age range of its younger customers, the staff of the young viewers are in single figures. There are three of them...

Dr Barry Weightman, now chairman and managing director, was a lecturer in mechanical engineering...

Fruits of the earth



THIS HAS been an afternoon of surprises. Having finally moved into my new home...

Abidjan

So much for African daub and wattle. After getting myself quite lost among the distinctive non-African buildings...

As an elite which since independence has retained enormous influence over Ivorian industry, commerce, education and even government...

Warriors in retreat

Susan Moore finds a lot to be desired at an over-hyped exhibition

THE EMPEROR'S warriors are rather like the Emperor's New Clothes - there is less to see than might be expected...



An unarmoured infantryman, part of the London exhibition of the terracotta army

Since their discovery, a great many warriors have been tramping around the world under the orders of the People's Republic of China...

Of the figures here, by far the most accomplished are the two elaborately posed kneeling cross-bowmen...

Archaeologists uncover throwaway facts

ARE YOUR dustbins bursting with ripped wrapping paper, bottles, turkey bones and other detritus of modern living?

How different from 19th century trash dumps in Mexico which no bottle reached until it was broken...

The Garbage Project also teaches scepticism, by comparing front-door interviews with back-door hard evidence...

State some reporters were checking his garbage cans. The police here can look for drug syringes in the dustbins...

Gerald Cadogan takes a rummage through the economics of garbage

State some reporters were checking his garbage cans. The police here can look for drug syringes in the dustbins...

Nicholas Woodsworth

Art Galleries

Clubs

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ARTS

Antony Thorncroft reports on the export of works of art

Licence to treasure

THERE IS a relentless logic to it all. When, as in the late autumn, Sotheby's sells a painting by Van Gogh...

There is one ray of hope. In November the National Heritage Memorial Fund was given an extra £2m by the Government...



Poussin's 'The Finding of Moses' currently the most important work in danger of leaving the country

Other works of art currently covered by the export stop that stand a good chance of staying in the UK include the Clifford papers relating to the Secret Treaty of Dover in 1670...

but some slight adjustments are now needed. At the moment the experts acting as the first line of defence are all London based...

the law by some exporters (who face minimal fines if uncovered), the UK has lost relatively little of real artistic significance in recent years...

the George Brown collection of tribal art from Newcastle University to Japan through this loophole has not been forgotten nor forgiven...

Records

Solti's lively Lohengrin

Wagner: Lohengrin. Norman, Randova, Domingo, Nimmern, Solti, Fischer-Dieskau/VPO, VSO Chorus/Solti. Decca 421 059-1 (LP), -2 (CD), -4 (cassette).

SOLTI'S DRAMATIC, colourful Lohengrin may surprise those who accept this opera more from dutiful loyalty to Wagner than from personal conviction...

frames the action with expected but still remarkable intelligence. He contrives to set the scene not only for this opera but for this particular interpretation...

ENO's Rose

THE ENGLISH National Opera production of Der Rosenkavalier, revived on Thursday, is 13 years old. It has lasted much longer in the repertory than many another ENO show of similar vintage...

Before the event, one might have feared that the Mezzosoprano would prove a little light, a little 'French' for the opera's most substantial female role...



Valerie Masterson: her first Marschallin

The adapter emphasises the difficulty of catching the right tone for modern spectators in his programme notes but nowhere refers to Tony Harrison's successful treatment of some of the same material for the National Theatre's Mysteries...

You've got something on your mind, father, I can tell by your expression. Thus Isaac (a plump and perky actress in a peaked cap and red waistcoat) is the lively Tracy Harper...

Carol Russell's nagging Caribbean Gabriel; Miss Russell works nobly to generate warmth and humour, but so far the piece seems neither the celebration of an ancient popular culture nor a work of devotion...

Radio

Change on 3

LAST SUNDAY, BBC1 gave those of us who could keep away from Frankenstein on BBC3 an inside demonstration of how the Corporation works...

So what new developments are to be made in the way we now know so much about? On Radio 4 on Tuesday, the Director-General, the Managing Director, Radio, and the Controller of Radio 4 also had a phone-in...

current issues in the arts, on Wednesdays, Music on Thursdays, the Performing Arts on Fridays. Major transmissions of opera, plays and concerts will be timed for 7.30 pm. Drama will fill this slot on Tuesdays and Fridays...

a shell. It begins with the registration of his birth and continues pitilessly through every artistic or amatory contact of his 38 years. Douglas Hodge's able performance could not conceal that the poet was, at any rate in this version, a talkative and arrogant bore...

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Theatre In need of a Miracle. You've got something on your mind, father, I can tell by your expression. Thus Isaac (a plump and perky actress in a peaked cap and red waistcoat) is the lively Tracy Harper...

WEST LONDON ANTIQUES FAIR. Kensington Town Hall. Hornton St., off Kensington High Street, W8. January 14th - 17th. 90 stands, on 3 floors. Voted to a high standard. Most items pre 1870.

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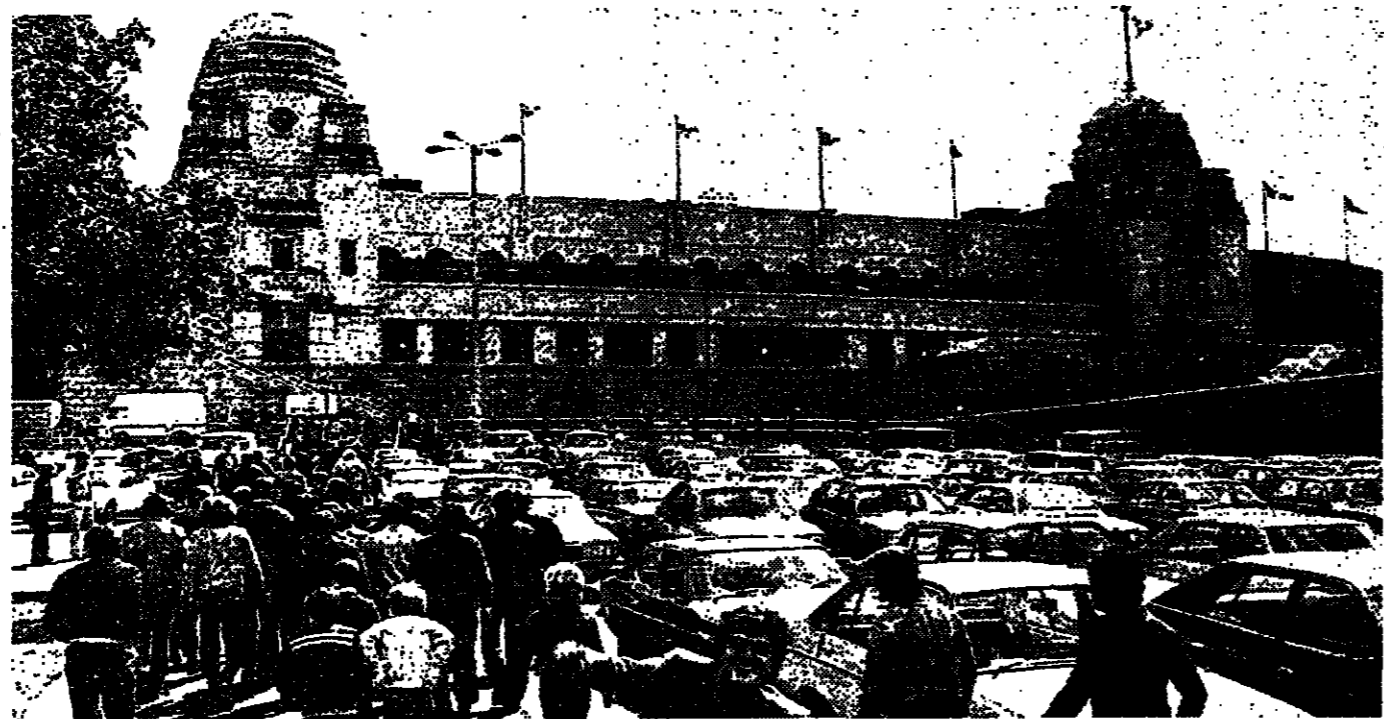
WEEKEND FT

SPORT

Wembley Stadium/Robert Steen

A great world arena on the edge

THE CHANT of 'Wem-ber-lee' will surge from soccer terraces at 3pm today as the countdown towards the FA Cup final starts in earnest...



Here we go, here we go, in Wembley Way

The gargantuan eyecore of a tote scoreboard opposite the players' tunnel will have been transformed into a computerised screen; 72 executive boxes and 2,500 executive seats will be in place, raising to around 63,000 the number who can be seated...

Within the more intimate climes of Wembley Arena - capacity of which is due to expand from 9,000 to 13,000 - and the Conference Centre, there is snooker, tennis, ice hockey, squash, badminton and gymnastics...

21-year contract - a traditional length of term in 1982 and 1983 and FA secretary Ted Croker describe Wembley as having a 'unique mystique'...

The playing area that has hummed to the skills of Diego Maradona, Pele, Johann Cruyff and George Best was once dubbed 'Watkin's Folly'...

Eighty years on, Wembley's foundations appear rather more secure. It would be surprising if England's surrogate national sports stadium was ever referred to as 'Watkin's Folly'...

American football/Ben Wright

IT WAS typical of a professional football season torn apart by the second players' strike since 1982 that last Sunday's wild card play-off games in both National and American conferences should have been won by the underdogs...



Every dog has his day

The Saints had won their nine previous games for a 12-3 regular season record that was second in the league only to their division-winning rival San Francisco 49ers...

much in their favour. John Elway, the Bronco quarterback, and the Browns' receiver, finally achieved the maturity and accuracy that has mostly eluded the Oilers' black quarterback Warren Moon...

In the first national conference match today, San Francisco is the overwhelming favourite in my book because quarterback Joe Montana is easily the best in the game...

In tomorrow's revenge match between Chicago and Washington in the wicked cold of Soldier Field, hard by Lake Michigan, it is difficult to separate two teams with identical 11-4 records...

FT CROSSWORD No.6,525

Prices of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday January 20 marked Crossword 6,525 on the envelope...

Crossword grid with numbers and clues. Clues include: 1 Notes on room: much of it's baroque (7,5); 2 Stop man with a ban (5,2); 3 College girl and boy turning up in purple: No thanks (3); 4 Employed as listener at pole (4); 5 Moving house? (8,4); 6 Introduction to explanation of what's Spanish with the church (5); 7 Stop the Spanish officer? (7); 8 Partnership practice is in favour of matches with fast running (6,7); 9 A pound note's place to come out for the wedding (8,7); 10 Selfish boy without energy getting little money (10); 11 Stop darning and dithering to secure binding (8); 12 Fish and sweets in old books country negative (8); 13 Margin of things' well, possibly (3,7); 14 Complaint at point of vent (4); 15 Pledge to take wine? (4); 16 Poetically even calcium may be used for one church (10); 17 English and French nobleman in band losing weight (8); 18 Trouble taken by country first to last (5); 19 Greek character with obvious sort of energy (7); 20 Building regulations - nice flat for holiday (4-8); 21 Hair style for semi-ignorant Pole after church (7); 22 Basket is numbered attachment to rod (6); 23 Dull place to live (4); 24 Solution to Puzzle No.6,524

Across: 1 Notes on room: much of it's baroque (7,5); 2 Stop man with a ban (5,2); 3 College girl and boy turning up in purple: No thanks (3); 4 Employed as listener at pole (4); 5 Moving house? (8,4); 6 Introduction to explanation of what's Spanish with the church (5); 7 Stop the Spanish officer? (7); 8 Partnership practice is in favour of matches with fast running (6,7); 9 A pound note's place to come out for the wedding (8,7); 10 Selfish boy without energy getting little money (10); 11 Stop darning and dithering to secure binding (8); 12 Fish and sweets in old books country negative (8); 13 Margin of things' well, possibly (3,7); 14 Complaint at point of vent (4); 15 Pledge to take wine? (4); 16 Poetically even calcium may be used for one church (10); 17 English and French nobleman in band losing weight (8); 18 Trouble taken by country first to last (5); 19 Greek character with obvious sort of energy (7); 20 Building regulations - nice flat for holiday (4-8); 21 Hair style for semi-ignorant Pole after church (7); 22 Basket is numbered attachment to rod (6); 23 Dull place to live (4); 24 Solution to Puzzle No.6,524

SATURDAY

Programme in black and white. BBC1: 8:20 am Robert's 825 Saturday Starts Here. 8:45 Robert's 825 Saturday Starts Here. 9:00 Robert's 825 Saturday Starts Here...

CHANNEL 4: 8:25 am Old Country. 8:35 Monopoly. 9:00 am Old Country. 9:15 The Old Country. 9:30 am Old Country...

54C WALES: 10:30 am Cliff From The Hip. 11:00 am Cliff From The Hip. 11:30 am Cliff From The Hip...

TELEVISION AND RADIO

11:30 am Always Have A Dream. 11:35 pm Always Have A Dream. 11:40 pm Always Have A Dream...

11:40 pm Always Have A Dream. 11:45 pm Always Have A Dream. 11:50 pm Always Have A Dream...

11:55 pm Always Have A Dream. 12:00 pm Always Have A Dream. 12:05 pm Always Have A Dream...

SUNDAY

Programme in black and white. BBC1: 8:35 am Play School. 8:45 Umbrella. 8:55 This is the Day. 9:00 What on Earth?...

CHANNEL 4: 8:25 am Old Country. 8:35 Monopoly. 9:00 am Old Country. 9:15 The Old Country...

54C WALES: 10:30 am Cliff From The Hip. 11:00 am Cliff From The Hip. 11:30 am Cliff From The Hip...

11:30 am Always Have A Dream. 11:35 pm Always Have A Dream. 11:40 pm Always Have A Dream...

11:40 pm Always Have A Dream. 11:45 pm Always Have A Dream. 11:50 pm Always Have A Dream...

11:55 pm Always Have A Dream. 12:00 pm Always Have A Dream. 12:05 pm Always Have A Dream...

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